COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9 3 2 6 9 - A

Company Name

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town/Province)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	**SEC**	**N/A**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	**397-1888**	**N/A**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,086	**Second Wednesday of March**	**9/30**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Cecilia M. Pascual	**cecille.pascual@robinsonsland.com**	**397-1888**	**N/A**

Contact Person's Address

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated

SEC Number 93269-A
File Number ______________

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

(Company's Address)

3971-888

(Telephone Number)

SEPTEMBER 30

(Fiscal Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

____

Amendment Designation (if applicable)

September 30, 2016

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended : **September 30, 2016**

2. SEC Identification Number : **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
   Address of principal office — Postal Code

8. **3971-888**
   Issuer's telephone number, including area code

9. **N.A** ....
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	4,093,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱40,606,152,041.20**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has six wholly-owned consolidated subsidiaries and two 51%-owned companies.

The Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,069 and 1,898 employees as of September 30, 2016 and 2015, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls and hotels, and the development of mixed-use properties, office and residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings and hotels) and a "development" component, in which RLC develops residential real estate projects for sale (principally residential condominiums, upper-middle to high-end residential developments and low-and-middle-cost lots and houses in its subdivision developments).

RLC's operations are divided into its four business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of September 30, 2016, RLC operated 44 shopping malls, comprising nine (9) malls in Metro Manila and thirty five (35) malls in other urban areas throughout the Philippines, and had another seven (7) new malls and three (3) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of September 30, 2016, RLC's Residential Division had completed 79 residential condominium buildings/towers/housing projects, 27 ongoing, of which two (2) projects are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of September 30, 2016, this division has completed thirteen (13) office developments, located in Metro Manila, Cebu City and Ilocos. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels Division owns and operates hotels in Metro Manila and other urban areas throughout the Philippines. RLC's Hotels Division currently has a portfolio of fifteen (15) hotel properties under the three (3) brand segments, namely Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria both managed by the InterContinental Hotels Group, Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay and Summit Hotel Magnolia which are under the Summit brand, and a network of ten (10) Go Hotels all over the Philippines. Go Hotels is present in Mandaluyong-Manila, Tacloban, Dumaguete, Bacolod, Puerto Princesa, Otis-Manila, Iloilo, Ortigas Center-Manila, Butuan and Lanang-Davao.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of fiscal year 2016.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

b) Business

RLC has four business divisions – Commercial Centers, Residential, Office Buildings, and Hotels.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱9.96 billion or 45% of RLC's revenues and ₱6.65 billion or 55% of RLC's EBITDA in fiscal year 2016 and ₱9.10 billion or 46% of RLC's revenues and ₱6.13 billion or 57% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱60.03 billion.

During fiscal year 2016, the Commercial Centers Division opened four (4) new malls and expanded one (1) mall, increasing its gross floor area by 17.6%. It currently operates 44 shopping malls, comprising nine (9) malls in Metro Manila and thirty five (35) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.397 million square meters.

As of September 30, 2016, RLC had a portfolio of 44 shopping malls:

Name	Location	Fiscal Year opened	Approximate gross floor area (in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1991	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1998	241
Robinsons Nova Market	Quirino Highway, Novaliches, Quezon City	2001	66
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2002	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2005	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2008	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2014	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2015	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	54
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1999	65
Robinsons Place Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2002	79
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa Market	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2003	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2003	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2004	59
Robinsons Place Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2005	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2009	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2009	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	40
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete.................	Calindagan Business Park, Dumaguete City	2010	38
Robinsons Ilocos Norte..........................	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2010	20
Robinsons Cybergate Cebu...................	Don Gil Garcia St., Capitol, Cebu City	2010	20
Robinsons Place Pangasinan.................	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan......................	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan.........................	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2014	42
Robinsons Place Malolos........................	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2014	68
Robinsons Place Roxas..........................	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago......................	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo.......................	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique……………….	Brgy. Maybato, San Jose, Antique	2015	10
Robinsons Galleria Cebu………………….	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2016	139
Robinsons Place Tagum…………………	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias…………	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro……………………	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Total			2,397

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be the driver for the Company's growth in the future.

As of fiscal year 2016, the Company had seven (7) new shopping malls and three (3) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,181 million, ₱1,877 million, and ₱1,630 million in 2016, 2015 and 2014, respectively.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱7.83 billion or 34% of RLC's revenues and ₱2.08 billion or 17% of RLC's EBITDA in fiscal year 2016, and ₱6.62 billion or 34% of RLC's revenues and ₱1.83 billion or 17% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱43.47 billion.

Percentage of realized revenues from foreign sales to total revenues for fiscal years 2016, 2015 and 2014 are 0.24%, 0.59% and 0.63%, respectively. While percentage of realized revenues from foreign sales to net income for fiscal years 2016, 2015 and 2014 are 0.88%, 2.04% and 2.26%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Luxuria portfolio, of which seven (7) have been completed and two (2) projects are under various stages of development.

Key details of the Company's Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place [(1)]..........	50	344
Signa Designer Residences Tower 2..................................	28	351
Completed Projects		

Galleria Regency [1] [2]	13	107
AmiSa Private Residences Tower A [1]	14	131
AmiSa Private Residences Tower B [1]	18	155
AmiSa Private Residences Tower C [1].................................	18	189
Signa Designer Residences Tower 1....................................	29	306
Sonata Private Residences – Building 1 [1]	29	270
Sonata Private Residences – Building 2 [1]	30	271

The Robinsons Luxuria projects are detailed as follows:

1. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

2. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

3. ***Sonata Private Residences – Buildings 1 and 2*** are part of a mixed-use Sonata Place community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

4. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** is the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community.

5. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

The Company's Business Plan for its Luxuria Brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of September 30, 2016:

[1] *Part of a mixed-used development*
[2] *Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel*

Location	Acquisition Date	Approximate gross land area (3)
		(in hectares)
Fort Bonifacio, Taguig City	March 2007	1.0
Total		1.0

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of September 30, 2016, Robinsons Residences segment had a portfolio of twenty nine (29) residential condominium buildings/towers, of which twenty two (22) had been completed and seven (7) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1)..	21	270
The Trion Towers – Building 3 …………………………………	50	626
The Magnolia Residences Tower C (1)	38	433
The Sapphire Bloc West Tower	38	416
Azalea Place Cebu	25	408
The Radiance Manila Bay North Tower ………………………	36	538
The Radiance Manila Bay South Tower ………………………	36	527
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	436
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	601
Two Adriatico Place (1)	38	548
Three Adriatico Place (1)	38	537
Fifth Avenue Place	38	612
Otis 888 Residences (1)	3	179
McKinley Park Residences..	44	391
East of Galleria	44	693
The Fort Residences	31	242

[3] *"Gross Land Area" means the total area of land acquired by the Company*

Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2 ………………………………..	50	725
Gateway Regency [(1)]..	31	463
The Magnolia Residences Tower A [(1)]	36	378
The Magnolia Residences Tower B [(1)]	38	419
The Sapphire Bloc North Tower	38	412
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of a mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B and C*** are part of a mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 612 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development

[1] *Part of a mixed-use development*

in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mall.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively.

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay Nort and South Towers*** is a two-tower development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Tower 1*** is part of a three-tower residential component of the Robinsons Galleria Cebu Complex which will consist of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's Business Plan for its Robinsons Residences is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of September 30, 2016:

Location	Acquisition Date	Approximate land area
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	0.4
Merville, Paranaque City	March 2006	3.3
E. Rodriguez Jr. Ave., Quezon City..................	2011	3.9
Ortigas Center, Pasig City………………………..	September 2015	0.3
Total		7.9

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of September 30, 2016, Robinsons Communities had completed twenty five (25) residential condominium buildings/towers and two (2) subdivision projects. It has five (5) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with an average price levels below ₱3.0 million. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Escalades North Tower …………………...	17	397
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B ……………	13	414
The Pearl Place - Tower B	34	640
Chimes Greenhills..................................	24	372
Completed Projects		

Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ………………	37	913
Escalades East Tower ……………………	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E	5	38
Gateway Garden Ridge...........................	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches		461
Centennial Place		50

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. These project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising initially of tow (2) out of six (6) mid-rise residential buildings, it boasts of generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, inventors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Escalades North Tower*** is the final tower to complete the Escalades-Cubao complex. The 21-storey mid-rise residential condominium with commercial component is located along Aurora Blvd, Cubao, QC.

12. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

13. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's Business Plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of September 30, 2016:

Location	Acquisition Date	Approximate land area
		(in hectares)
Sucat, Muntinlupa [1]	2002	1.4
Las Pinas City [1]	2011	2.0
Total		3.4

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of September 30, 2016, Robinsons Homes has thirty six (36) projects in its portfolio. Thirteen (13) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty six (36) projects, twenty five (25) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of fiscal year 2016 are set forth in the table below:

Name	Location	Started [2]	Approximate Gross Land Area [3]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104

[1] *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*
[2] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[3] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started (2)	Approximate Gross Land Area (3)	Number of Lots/Units
			(in hectares)	
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights..............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra.................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Brighton Bacolod…………………….	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Monte Del Sol……………………….	Misamis Oriental	-	3.3	256
Springdale at Pueblo Angono……	Angono, Rizal	-	3.8	197

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East***. A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard***. A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village***. This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot.

The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes*.** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.
5. ***Robinsons Highlands*.** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.
6. ***Grosvenor Place*.** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.
7. ***Robinsons Hillsborough Pointé*.** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.
8. ***Forest Parkhomes*.** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.
9. ***San Jose Estates*.** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.
10. ***Robinsons Residenza Milano*.** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.
11. ***Fernwood Parkhomes*.** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is

located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is aA 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview*****.** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates*****.** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades*****.** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra*****.** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive

lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of September 30, 2016, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Brighton Bacolod, Brighton Puerto Princesa and Monte Del Sol.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of September 30, 2016, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱2.91 billion or 13% of RLC's revenues and ₱2.63 billion or 22% of RLC's EBITDA in fiscal year 2016, and ₱2.24 billion or 11% of RLC's revenues and ₱2.11 billion or 20% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱12.67 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. One recent trend affecting the Company's office tower design is the increasing presence of customer call centers and BPOs in the Philippines. The Company has secured a number of major customer call centers and BPOs as long-term tenants in its office building space and has focused on attracting their business, including custom-designing its office space with call center and BPO design requirements in mind. The Company believes, based on its own market research, that it is a leading provider of office space to BPOs in the Philippines.

As of September 30, 2016, the Office Buildings Division has completed thirteen (13) office developments with the completion of Tera Tower, Galleria Cebu Office and Robinsons Place Ilocos Office, and is building six more office building projects in Metro Manila and non-Metro Manila areas. The Company's completed office building projects are described below.

Name,	Location	Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30-storey
Robinsons-Equitable Tower.......................	Corner of ADB and Poveda Streets, Pasig City	45-storey
Robinsons Summit Center.........................	Ayala Avenue, Makati City	37-storey
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18-storey
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12-storey
Robinsons Cybergate Cebu.....................	Fuente Osmena, Bo. Capitol, Cebu City	3-storey
Cyberscape Alpha.....................................	Sapphire and Garnet Roads, Pasig City	26-storey
Cyberscape Beta.......................................	Ruby and Topaz Roads, Pasig City	37-storey
Tera Tower……………………………………	Bridgetowne, C5 Road, Quezon City	20-storey
Robinsons Galleria Cebu Office……………	Gen. Maxilom Avenue, Cebu City	4-storey
Robinsons Place Ilocos Office.…………….	San Nicolas, Ilocos Norte	4-storey

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an

approximate net floor area (comprising only leasable space) of 25,000 square meters. As of September 30, 2016, approximately 83% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 92.1% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of September 30, 2016, RLC had sold approximately 76% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 99.1% occupancy rate as of September 30, 2016.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 96.5% occupancy rate as of September 30, 2016.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of September 30, 2016.

5. ***Robinsons Cybergate Center Tower 2.*** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of September 30, 2016.

6. ***Robinsons Cybergate Center Tower 3.*** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of September 30, 2016.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2^{nd}, 7^{th} to 12^{th} floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 99.9% occupancy rate as of September 30, 2016.

8. ***Robinsons Cybergate Cebu.*** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of September 30, 2016, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of September 30, 2016.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 99.9% occupancy rate as of September 30, 2016.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 99.7% occupancy rate as of September 30, 2016.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had just been completed in September 2016.

13. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC. It was just recently completed in September 2016.

iv. Hotels

RLC's hotels division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. For this fiscal year, RLC opened its second Go Hotels in the Mindanao region at Lanang, Davao City, a joint venture with Udenna Development Corporation. Go Hotels Lanang-Davao is the first franchise of gohotels.ph to open. RLC's hotels division currently has a portfolio of fifteen (15) hotel properties. As of September 30, 2016, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of ₱3.87 billion.

The hotels division accounted for ₱1.81 billion or 8% of RLC's revenues and ₱0.66 billion or 6% of RLC's EBITDA in fiscal year 2016, and ₱1.75 billion or

9% of RLC's revenues and ₱0.62 billion or 6% of RLC's EBITDA in fiscal year 2015.

Although the hotels division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments. Over the next years, we will see more Go Hotels and Summit Hotels in major cities of the country.

Serving over 1.8 million guests to date, Go Hotels has steadily increased its presence in the Philippines with ten (10) operational branches, offering a total of more than 1,300 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels has also opened its business to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of September 30, 2016:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria…………………………...	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	Standard	210
Summit Ridge Tagaytay ………..	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia………….	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Go Hotel …………………………..	EDSA, Mandaluyong City	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108
Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Go Hotel…………………………..	Butuan City	Economy	104
Go Hotel…………………………..	Lanang, Davao City	Economy	183
Total			2,357

As of September 30, 2016, the Company's Hotels Division has an average occupancy rate of 68%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years and is extendible further upon mutual agreement between RLC and InterContinental. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It must also carry out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia and the ten (10) Go Hotels directly.

In fiscal year 2016, the Company had one new Go Hotel branch in Lanang-Davao. There are additional Summit and Go Hotels in the pipeline slated to open in the next two years.

Roxaco-Vanguard Hotels Corporation (RVHC), a franchise of Go Hotels, also opened their first Go Hotel branch in Manila Airport Road. The Franchisee has four (4) more Go Hotels in Metro Manila under construction which will open in the coming months.

c) Significant Subsidiaries

As of September 30, 2016, RLC has six wholly-owned subsidiaries, one 80%-owned subsidiary and two 51%-owned subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RCL, RPMMC, AAI, ASN, GHDI, RLCRL and LPBLI.

Key details of each of RLC's subsidiary companies are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. The company acts as a real estate agent on the international market, among others, for the Residential Division.

4. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's residential division. RPMMC manages the marketing of the portfolio of residential and office units that are available for sale through the residential division's Robinsons Communities, Robinsons Residences, and Luxuria Brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on

March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

7. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture within the Company's Hotels Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

8. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to the Company's interest therein.

9. ***Lingkod Pinoy Bus Liner, Inc.*** Lingkod Pinoy Bus Liner, Inc. (LPBLI) was incorporated on April 7, 2016 to engage in land transportation for the transportation and carriage of passengers, goods, and merchandise within any place in the Philippines.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its commercial centers division—SM Prime Holdings, Inc. (SM) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SM's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of September 30, 2016, the mall segment of SM has ₱302.4 billion and ₱129.2 billion while the mall segment of ALI has ₱93.8 billion and ₱22.3 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land (Rockwell), Century Properties and Megaworld Corporation (Megaworld) to its developments. Rockwell's total assets and equity accounts as of September 30, 2016 amounted to ₱39.8 billion and ₱15.1 billion, respectively; Century Properties' total assets and equity accounts as of September 30, 2016 amounted to ₱40.8 billion and ₱15.1 billion, respectively, while Megaworld's total assets and equity accounts as of September 30, 2016 amounted to ₱266.47 billion and ₱141.4 billion, respectively.

2. ***Robinsons Residences***

RLC's competitors (Alveo Land, Megaworld, Filinvest, and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remains one of the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are found within Central Business Districts or a RLC mixed-use development.

3. ***Robinsons Communities***

RLC Robinsons Communities in particular, has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), Filinvest Land (FL), SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2016, total assets and equity accounts amounted to ₱125.5 billion and ₱57.7 billion, respectively, for FL while total assets and equity accounts of SM Prime Holdings Inc. (SMDC was ultimately merged with SM Prime Holdings thru SM Land in 2013) as of September 30, 2016 amounted to ₱457.2 billion and ₱227.4 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for our affordable market segment, *Brighton* for our mid-cost development and *Bloomfields* for our high-end market.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2016 amounted to ₱172.8 billion and ₱74.91 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, availability of space and quality of office space. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the Company's malls and residences as part of mixed-use developments, and has also began to design its office space with BPO- and call center-specific requirements in mind, in order to better serve that market and make its office buildings more attractive to those potential tenants. The Company also believes that its established reputation for completing projects on time andtrue to its deliverables and commitment resulted to becoming one of the preferred choices or first in mind of call centers, BPO as well as local and multinational companies. a The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

The 8 point agenda of the new administration has not been fully implemented, the focus being more oriented towards “war against drugs and corruption” in the country.

New administration budget proposal for 2017 provides a higher allocation to implement an infrastructure program which would cover both government funded and PPP projects within the next 2-3 years.

The Permanent Court of Arbitration (PCA) under UNCLOS has issued a sweeping verdict in favor of the Philippines in its case against China's territorial claims in the South China Sea. China has strongly condemned the verdict and tensions still continue over the Scarborough Shoal.

President Duterte agenda includes abolition of current practice of “ENDO” or end of contract for non-regular employees. Current labor practice is being blamed for preventing employees from gaining regular employment and receiving full benefits allowed by law.

However, concerns on safety and security/travel advisories, infrastructure and health and hygiene must be addressed. The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, the continued booming of business outsource processing & IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. With total expected supply of 8,500 rooms from year 2016-2017, the DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness. The Word Economic Forum (WEF), in its “Travel & Tourism Competiveness Report 2013”, ranked the Philippines 12 places higher than in 2012 at 82nd overall and 16th regionally – the largest improvement of any country within the Asia-Pacific Region.

Thanks to an aggressive and highly successful global marketing campaign, under previous government, brand awareness is on the rise. Momentum looks to continue as current government too seems set to carry the baton with confirmation of Miss Universe Pageant at Manila in January 2017.

Taking advantage of the increasing inbound and outbound travels looking for accommodation, a number of local and foreign competitors have entered or signified interest to enter the country. These chains, considered competitors of the Company’s Go Hotels, include Red Planet, Fave Hotels of Indonesia, Microtel by Wyndham and the local Islands Stay Hotels. Other hotel chains which have also been growing geographically include Park Inn by Radisson, Novotel, Seda Hotels by Ayala, and Remington Hotel. These hotel chains cater to the mid-scale market and are thus considered competitors of the Company’s Summit Hotel brand. In the Ortigas Central Business District, new players such as Marco Polo, Citadines, Accor, Exchange Regency and Oakwood compete with the Company’s two IHG-managed hotels.

Crowne Plaza Manila Galleria has celebrated its 10th year of service in 2015, with this new service experience are yet to be expected to ensure Travelling for Success --- Sleep Advantage supporting the environment expected by our high achiever and Meetings Success, assuring a unique guest experience when conducting meetings and celebrating milestones.

Holiday Inn remains to be the only international mid-market brand in Ortigas which caters of both Leisure and Corporate Transient business in the area.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of September 30, 2016, RLC and its subsidiaries had a total of 7,789 employees, including 2,069 permanent full-time managerial and support employees and approximately 5,720 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	997	4,566	5,563
Office Buildings Division	26	292	318
Residential Division	430	279	709
Hotels Division	616	583	1,199
Total	2,069	5,720	7,789

The 2,069 permanent full-time managerial and support employees of RLC and its subsidiaries as of September 30, 2016 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	713
Administrative	965
Technical	391
Total	**2,069**

The Company foresees an increase in its manpower complement to 2,172 employees in the ensuing twelve months.

Almost all of the Company's hotels division employees are covered by a collective bargaining agreement. Holiday Inn Manila Galleria hotel's collective bargaining agreement will mature on September 30, 2019 while Summit Circle Cebu (formerly Cebu Midtown Hotel) expired last September 30, 2016 with ongoing talks on renewal as date of writing. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic makeup, social trends, changing spending patterns and consumer sentiment in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to adjustments in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine economy, the Information Technology-Business Process Management (IT-BPM) outsourcing industry drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily reliant on the availability of Information and Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential property development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that could have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/ Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Residential/ Mall/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall/ Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Visayas area	Land bank	No encumbrances

Mindanao		
Agusan Del Norte	Mall	No encumbrances
Cagayan De Oro City	Residential	No encumbrances
Davao	Mall/Hotel	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Butuan City	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Mixed-use (mall/hotel/residential)	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Malabon City	Mall	No encumbrances
Las Pinas City	Mall	No encumbrances
Muntinlupa City	Residential	No encumbrances
Luzon		
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall	No encumbrances
Cavite	Mall/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Isabela	Mall	No encumbrances
Visayas		
Iloilo City	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/office/residential)	No encumbrances
Negros Oriental	Mall	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Mindanao		
Cagayan De Oro City	Mall	No encumbrances
Davao City	Mall	No encumbrances
South Cotabato	Mall	No encumbrances
Agusan Del Norte	Mall	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, and (v) Robinsons Place Jaro. These five land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta and Pulilan properties are for 25 years each and commenced in December 2003 and January 2008, respectively. Renewal options for Cainta and Pulilan are available to the Company. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱180 million in 2016, ₱199 million in 2015 and ₱152 million in 2014.

Capital expenditure incurred for fiscal years 2016, 2015 and 2014 amounted to ₱26.7 billion, ₱16.8 billion and ₱14.1 billion, respectively, representing about 118%, 85% and 83% of revenues in those years, respectively.

The Company has allotted approximately ₱4.0 billion for capital expenditures in the Philippines for October to December 2016; wherein 65% will be spent on the construction and expansion of malls, offices and hotels, 26% for residential property developments and the balance of 9% on land acquisitions.

For calendar year 2017, the Company has budgeted approximately ₱16.0 billion for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. Approximately 53% will be allocated for the development of new and expansion of existing malls, offices and hotels, 25% is expected to be incurred for the completion of ongoing residential property developments while the remaining 22% will be spent on replenishing the landbank.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Company's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision and condominium projects can commence only after the relevant government body has issued the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked afer a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with Presidential Decree 957, which set out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls.

Further, Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱300,000, is exempt from project related income taxes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the “Hotel Code”) in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel’s classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the

Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of fiscal year 2015, the Pioneer mixed-use complex was in a PEZA Ecozone, the Robinsons Equitable Tower and Robinsons Summit Center were PEZA-registered buildings. A number of malls are also PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱27.9 million in 2016, ₱20.8 million in 2015 and ₱20.4 million in 2014.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three fiscal years are set forth below.

	2016			2015			2014		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close
1	27.50	26.70	27.50	26.50	25.20	26.50	20.10	19.92	19.96
2	29.20	27.55	27.90	31.60	30.20	30.80	21.25	21.00	21.05
3	31.65	29.50	29.50	29.60	28.60	29.30	23.85	23.35	23.60
4	31.35	30.30	31.00	28.65	28.40	28.45	24.65	24.25	24.35

Additional information as of December 31, 2016 are as follows:

Market Price:	**Period**	**High**	**Low**
	Oct. to Dec. 2016	₱26.30	₱25.10

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the fiscal years 2016, 2015 and 2014.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

For fiscal year 2015, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2014 to all stockholders on record as of May 14, 2015. The cash dividends were paid out on June 9, 2015.

For fiscal year 2014, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2013 to all stockholders on record as of May 29, 2014. The cash dividends were paid out on June 25, 2014.

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱1,157 million, ₱977 million, and ₱699 million in 2016, 2015 and 2014. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the cost of shares held in treasury amounting to ₱222 million and amount appropriated for expansion totaling ₱16 billion.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of September 30, 2016:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	2,496,114,787	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,068,943,027	26.11%
3	PCD Nominee Corporation (Filipino)	494,695,282	12.08%
4	Elizabeth Yu	8,737,200	0.21%
5	John Gokongwei, Jr.	8,124,721	0.20%
6	Cebu Liberty Lumber	2,203,200	0.05%
7	James L. Go	1,685,994	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Quality Investments & Sec Corp.	904,200	0.02%
10	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
11	Frederick D. Go	500,001	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.01%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	8,076,737	0.20%
	Total	**4,093,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 92% of the Company's total revenues and are derived from the lease of commercial spaces in the various Robinsons malls, the lease and sale of space from RLC's office buildings, and the sale of residential units from the Company's various housing projects. Approximately 8% of total revenues are derived from hotel operations.

i. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion.

The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱ 69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Company stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

ii. Year ended September 30, 2015 versus same period in 2014

RLC generated total gross revenues of ₱19.71 billion for fiscal year 2015, an increase of 15.6% from ₱17.05 billion total gross revenues for fiscal year 2014. EBIT grew 21% to ₱7.54 billion while EBITDA posted a 19.2% growth to ₱10.69 billion. Net income stood at ₱5.70 billion, up by 20.4% compared to last year.

The Commercial Centers Division accounted for ₱9.10 billion of the real estate revenues for the year versus ₱8.10 billion last year or a 12.3% increase. The newly opened malls in 2014 and 2015 namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Antipolo and

Robinsons Las Pinas contributed to the increase in revenues. In addition, the reopening of Robinsons Tacloban in June 2014 contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 9.2% and 11.3%, respectively.

The Residential Division realized revenues rose to ₱6.62 billion for the year versus ₱5.86 billion last year, an increase of 12.9%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 25.5% and 25.3 %, respectively.

Revenues of Office Buildings Division grew by 45.2% to ₱2.24 billion from ₱1.54 billion over the same period last year. This increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, both with occupancy rates of 100% as of September 30, 2015, respectively. The Division's EBIT and EBITDA showed positive variances of 50.1% and 42.6%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.75 billion as against last year's ₱1.53 billion. The 13.8% increase in hotel revenues was principally due to the opening of new Go Hotels Iloilo and Go Hotels Ortigas Center in January 2014 and August 2014, respectively, and the reopening of Go Hotels Tacloban in May 2014. The hotel average occupancy rate is 69% in 2015. Hotels Division EBIT and EBITDA grew by 26.0% and 17.6%, respectively.

Interest income increased to ₱39.3 million from ₱14.6 million last year due to higher average balance of cash and cash equivalents during the fiscal year 2015 resulting from the proceeds of fixed rate bonds.

Real estate cost and expenses went up by 11% to ₱7.84 billion from ₱7.06 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱310 million or 15% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱104 million or 24%. Furthermore, cinema expense rose by 21% or ₱120 million due to the operation of new cinemas in new malls.

Hotel expenses rose by 10% to ₱1.29 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened and re-opened Go Hotels branches.

General and administrative expenses went up by 19% to ₱3.05 billion due to higher commission expense, salaries, advertising and promotions and rent expense, among others.

Total assets of the Company stood at ₱99.07 billion, a growth of 16% from ₱85.37 billion in 2014. Receivables (current and noncurrent net) increased by 15% or ₱1.03 billion to ₱7.73 billion due substantially to higher level of installment contracts receivables.

Investment Properties and Property and Equipment both increased by 17% to ₱64.02 billion and 12% to ₱3.51 billion, respectively, due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Las Pinas, Robinsons Novaliches expansion and Robinsons Antique during the fiscal year and ongoing mall constructions at Robinsons Maxilom, Robinsons Tagum, Robinsons General Trias and Robinsons Jaro Iloilo contributed to the increase. Other current and noncurrent assets increased by 25% to ₱3.95 billion and 145% to ₱3.2 billion, respectively, due to increase in advances to suppliers and contractors for mall and office buildings constructions and utility deposits.

Loans Payable (current and noncurrent) increased by 38% to ₱24.88 billion due to issuance of ₱12 billion fixed rate bonds in 2015. Deposits (current and noncurrent) and Other liabilities went up by 22% to ₱8.45 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2015 stood at ₱56.66 billion, up by 8% from ₱52.44 billion last year due to the earnings during the year of ₱5.70 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2015	2014
Gross revenues	₱19.71 billion	₱17.05 billion
EBIT	7.54 billion	6.24 billion
EBITDA	10.69 billion	8.97 billion
Net income	5.70 billion	4.73 billion
Earnings per share	1.39	1.16
Net book value per share	13.84	12.81
Current ratio	1.98:1	1.41:1
Debt-to-equity ratio	0.44:1	0.34:1
Interest coverage ratio	7.91:1	6.96:1
Asset to equity ratio	1.74:1	1.62:1
Operating margin ratio	0.38:1	0.37:1

Capital expenditures for the fiscal year ended September 30, 2015 amounted to ₱16.8 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

iii. Year ended September 30, 2014 versus same period in 2013

RLC generated total gross revenues of ₱17.05 billion for fiscal year 2014, an increase of 7% from ₱15.90 billion total gross revenues for fiscal year 2013. EBIT grew 4% to ₱6.24 billion while EBITDA posted a 6.3% growth to ₱8.97 billion. Net income stood at ₱4.73 billion, up by 5.8% compared to last year.

The Commercial Centers Division accounted for ₱8.10 billion of the real estate revenues for the year versus ₱7.39 billion last year or a 9.7% increase. The newly opened malls namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas and Robinsons Malabon contributed to the increase in revenues. In addition, Robinsons Magnolia, Robinsons Palawan and Robinsons Iloilo contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 5.8% and 8.5%, respectively.

The Residential Division realized revenues rose to ₱5.86 billion for the year versus ₱5.58 billion last year, an increase of 5%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 0.9% and 0.6%, respectively.

Revenues of Office Buildings Division grew by 7% to ₱1.54 billion from ₱1.44 billion over the same period last year. This 7% increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, with occupancy rates of 46% and 68% as of September 30, 2014, respectively. The Division's EBIT and EBITDA showed positive variances of 3.7% and 6.5%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.53 billion as against last year's ₱1.50 billion. The 2.5% increase in hotel revenues was principally due to additional new Go Hotels Iloilo and Go Hotels Ortigas Center which opened in fiscal year 2014. The hotel average occupancy rate is 68% in 2014. Hotels Division EBIT grew by 5.6%, while EBITDA is flat at ₱527 million in 2014 and 2013.

Interest income decreased to ₱14.6 million from ₱113.4 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2014.

Real estate cost and expenses went up by 8% to ₱7.06 billion from ₱6.56 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱245 million or 13% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱53 million or 14%. Furthermore, cinema expense rose by 19% or ₱90 million due to higher level of cinema operations which in turn resulted to higher cinema revenues.

Hotel expenses rose by 1.5% to ₱1.17 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened Go Hotels branches.

General and administrative expenses went up by 17% due to higher salaries, advertising and promotions and insurance expense, among others.

Total assets of the Company stood at ₱85.37 billion, a growth of 14% from

₱74.89 billion in 2013. Receivables (current and noncurrent net) increased by 33% or ₱1.65 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale grew by 26% due to the reclassification of land from Investment Properties amounting to ₱1.76 billion as of September 30, 2014.

Investment Properties and Property and Equipment both increased by 9% due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Malabon and Robinsons Antipolo during the fiscal year and ongoing mall constructions at Robinsons Maxilom and Robinsons Las Pinas contributed to the increase. While other noncurrent assets increased by 104% due to increase in utility deposits, and prepaid rental as a result of ASNC's (wholly-owned subsidiary of RLC) assignment to RLC of all its rights, interests and obligations under a long-term contract of lease of land located in Taguig City.

Loans Payable (current and noncurrent) increased by 42% due to availment of ₱10 billion term loans and additional short-term loans of ₱8 billion offset by payment of ₱10 billion bonds payable that matured in 2014. Accounts payable and accrued expenses increased by 17% due to higher level of capital and operational expenditures. Deposits (current and noncurrent) and Other liabilities went up by 12% to ₱6.92 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2014 stood at ₱52.44 billion, up by 6.6% from ₱49.17 billion last year due to the earnings during the year of ₱4.74 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2014	2013
Gross revenues	₱17.05 billion	₱15.90 billion
EBIT	6.24 billion	5.98 billion
EBITDA	8.97 billion	8.44 billion
Net income	4.73 billion	4.48 billion
Earnings per share	1.16	1.09
Net book value per share	12.81	12.01
Current ratio	1.41:1	0.95:1
Debt-to-equity ratio	0.34:1	0.26:1
Interest coverage ratio	6.96:1	6.15:1
Asset to equity ratio	1.62:1	1.52:1
Operating margin ratio	0.37:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2014 amounted to ₱14.1 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 74) are filed as part of this Form 17-A (pages 78 to 169).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2016	2015
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱3,908,261**	₱3,657,498
All Other Fees..	**770,000**	2,967,000
TOTAL	**₱4,678,261**	₱6,624,498

No other service was provided by external auditors to the Company for the fiscal years 2016 and 2015.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of September 30, 2016, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,496,114,787	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,068,943,027	26.11%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	494,695,282	12.08%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. Out of the PCD Nominee Corporation account, "Deutsche Bank Manila-Clients" and "The Hongkong and Shanghai Banking Corp. Ltd.- Clients Account" - (Non-Filipino) holds for various trust accounts the following shares of the Corporation as of September 30, 2016:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	534,272,166	13.05%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	394,582,102	9.64%

The securities are voted by the trustee's designated officers who are not known to the Corporation.

b) Security Ownership Of Management as of September 30, 2016

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	2. James L. Go	Director, Chairman	1,685,994	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Vice Chairman and Chief Executive Officer	804,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President & COO	500,001	Filipino	0.01%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		17,109,077		0.42%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	540,000	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	50,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		600,905		0.01%
C. All directors and executive officers as a group unnamed			17,709,982		0.43%

Notes:

1 As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of September 30, 2016.

2 Sum of shares in the name of "John Gokongwei, Jr." for 8,124,721, "John L. Gokongwei, Jr." for 300,000 and "Elizabeth Y. Gokongwei and/or John Gokongwei" for 988,000 and shares equivalent to 4,706,360 which were subscribed and paid for under the rights offering of the Corporation and are currently lodged under PDTC.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of September 30, 2016

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since September 30, 2016.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of ten members, of which three are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of September 30, 2016:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.............	90	Director, Chairman Emeritus	Filipino
James L. Go............................	77	Director, Chairman	Filipino
Lance Y. Gokongwei................	49	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go.......................	47	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go	46	Director	Filipino
Johnson Robert G. Go, Jr.	51	Director	Filipino
Robina Y. Gokongwei-Pe..........	55	Director	Filipino
Artemio V. Panganiban.............	79	Director (Independent)	Filipino
Roberto F. de Ocampo.	70	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr.............	80	Director (Independent)	Filipino
Omar Byron T. Mier……………	72	Director (Independent)	Filipino
Faraday D. Go…………………..	40	General Manager	Filipino
Arlene G. Magtibay..................	54	General Manager	Filipino
Corazon L. Ang Ley……………	49	General Manager	Filipino

Name	Age	Position	Citizenship
Elizabeth Kristine D. Gregorio..	44	General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	43	Senior Vice President	Filipino
Constante T. Santos…………...	68	Senior Vice President	Filipino
Bach Johann M. Sebastian……	55	Senior Vice President	Filipino
Cecilia M. Pascual ………….....	58	Vice President	Filipino
Emmanuel G. Arce……………..	58	Vice President	Filipino
Constantino C. Felipe…………	53	Vice President	Filipino
Kerwin Max S. Tan	46	Chief Financial Officer	Filipino
Mary Maylanie L. Precilla.........	42	Vice President	Filipino
Honorio Almeida, Jr.................	58	Vice President	Filipino
Catalina M. Sanchez…………..	37	Vice President	Filipino
Anna Kathrina B. Cipriano…….	40	Vice President	Filipino
Sylvia B. Hernandez…………..	53	Vice President – Treasurer	Filipino
Rosalinda F. Rivera	46	Corporate Secretary	Filipino

The above directors and officers have served their respective offices since March 9, 2016. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 90, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus of JG Summit Holdings, Inc. and certain of its subsidiaries. He also continues to be a member of the Executive Committee of JG Summit Holdings, Inc. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Masters degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 77, is the Chairman of RLC. He is the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Cebu Air, Inc., Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA. Mr. James L. Go is a brother of Mr. John L. Gokongwei, Jr.

Lance Y. Gokongwei, 49, is the Vice-Chairman and Chief Executive Officer of RLC. He is the President and Chief Operating Officer of JG Summit Holdings, Inc., He is the Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc. He is the President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc. He is the Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Chairman of Robinsons Bank Corporation, and a director of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is a director and Vice Chairman of Manila Electric Company. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania. Mr. Lance Y. Gokongwei is the son of Mr. John L. Gokongwei, Jr.

Frederick D. Go, 47, is the President and Chief Operating Officer of RLC. He has been a director of the Company since May 6, 1999 and was elected President and Chief Operating Officer effective August 28, 2006. He is also the President and Chief Operating Officer of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also a Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 46, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC and is the President and Chief Operating Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 51, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 55**,** was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., Robinsons Bank Corporation. She is currently the President and Chief Operating Officer of Robinsons Retail Holdings, Inc. She is a Trustee of the Gokongwei Brothers Foundation Inc. and Immaculate Conception Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 79**,** was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was formerly the Chief Justice of the Philippines and concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored over ten (10) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6^{th} in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 70, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of

Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 80, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, CFC Corporation, and JG Summit Petrochemical Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. prior to joining the Group in 1962.

Omar Byron T. Mier, 71, was appointed as an Indpendent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Faraday D. Go, 40, was appointed as Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective 01 February 2014. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in

Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 54, is the General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 26 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Masters in Business Management, with distinction, from the Asian Institute of Management.

Corazon L. Ang Ley, 49, She's been with the group over 20 years and has been assigned to various functions and offices within the RLC, including a three-year stint in China. She is currently the BU-GM for Robinsons Homes. She's a graduate of Tourism from University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 44, was appointed as General Manager of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Ma. Soccorro Isabelle V. Aragon-Gobio, 43, was appointed as Senior Vice President for Robinsons Luxuria, Residences, Communities and Right Homes effective January 1, 2014. She has been with RLC for 22 years and is concurrently director of Manhattan Building Management Corporation and the Chairman of various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University.

Constante T. Santos, 68, is the Senior Vice President in charge of Corporate Tax Advisory Services and Tax Administration Department. Prior to joining RLC in 1986, he practiced public accounting with SyCip, Gorres, Velayo & Co. in the Philippines and Ernst & Whinney in the United States. He is a member of the Philippine Institute of Certified Public Accountants. Mr. Santos received his Bachelor of Science degree in Business Administration from the University of the East and attended the Management Development Program at the Asian Institute of Management.

Bach Johann M. Sebastian, 55, is Senior Vice President and Chief Strategy Officer of RLC. He is also the Senior Vice President and Chief Strategy Officer of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business

Administration degree from the Asian Institute of Management in 1986.

***Cecilia M. Pascual**,* 58, is the Vice President – Group Controller of RLC. Concurrently, she handles Altus San Nicolas Corp., Altus Angeles, Inc., and Manhattan Building Management Corp.. Prior to joining RLC, she held head positions in audit and finance in Robinsons Retail Group, CFC-Keebler, Inc. and Wenphil Corp. among others. A Certified Public Accountant, Ms. Pascual practiced public accounting with SGV & Co.

Emmanuel G. Arce, 58, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 53, is the Vice President/Group Head for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Kerwin Max S. Tan, 46, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President-Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

***Mary Maylanie L. Precilla**,* 42, is the Vice President for Sales and Marketing for Robinsons Residences and Luxuria effective November 1, 2011. Prior to joining RLC in April 2011, she was with SM Land Inc. where she was Vice President, Sales and Marketing Head of Costa Hamilo Inc. and Highlands Prime Inc. and Marketing Head of the Commercial Properties Group. She graduated cum laude and received a Bachelor of Arts major in Communication Arts from the University of Sto. Tomas.

Honorio Almeida, Jr., 58**,** is the Vice President of Construction Planning and Projects Department for Robinsons Homes of RLC effective October 2010. He was formerly the Assistant Vice President for Construction Department. He started his professional career with the Local Water Utilities Administration (LWUA) as Resident Engineer supervising the construction of various Water Supply System Projects for different Water Districts nationwide. Prior to working in RLC, he was the Executive Vice President of MRI Construction Inc., a subsidiary of the Moldex Group of Companies. He received a degree in Bachelor of Science in Civil Engineering from the University of Sto. Tomas.

Catalina Mallari-Sanchez, 37, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 15 years of experience in the real estate industry particularly in the residential and office segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Anna Kathrina B. Cipriano, 40, was appointed as Vice President, Business Development for Robinsons Luxuria effective January 1, 2014. She concurrently heads Business Development for the Robinsons Residences brand and serves as Director and Vice President of various condominium corporations of RLC projects. She has been with the Company for 8 years out of her 13 year career with the JG Summit Group, having also held roles in JG Summit Holdings, Inc. and Sun Cellular. She received a Bachelor of Science degree in Management from the Ateneo de Manila University and her Masters in Business Management from the Asian Institute of Management.

Sylvia B. Hernandez, 53, was appointed as Vice President-Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc., Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Robinsons Equitable Tower Condo Corp., and Robinsons Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP-Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 46, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent fiscal years.

		Fiscal Year 2016			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 35,347,444	P 1,700,000	P 539,250	P 37,586,694
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 73,786,398	P 2,975,000	P 839,250	P 77,600,648

		Fiscal Year 2015			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 33,226,450	P 2,000,000	P 307,500	P 35,533,950
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 69,479,474	P 3,000,000	P 405,000	P 72,884,474

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Estimated Year 2017			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four (4) most highly compensated executive officers		P 37,304,805	P 1,700,000	P 539,250	P 39,544,055
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D.Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 75,348,514	P 2,975,000	P 839,250	P 79,162,764 **

* *Per diem*
** *Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed fiscal year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a Group.

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of September 30, 2016, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.181 billion, ₱1.877 billion and ₱1.630 billion for fiscal years 2016, 2015 and 2014, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱105 million, ₱692 million and ₱617 million as of September 30, 2016, 2015 and 2014, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 20 to the Company's financial statements as of and for the fiscal years ended September 30, 2016, 2015 and 2014.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 170)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 171)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from April 1, 2016 to September 30, 2016:

Date of Disclosure	Subject Matter
May 12, 2016	Approval by the Board of Directors of RLC of the amendments to the By-Laws
May 12, 2016	Approval by the Board of Directors of RLC on the change in fiscal year to first day of January and ends on the last day of December of the same year
July 25, 2016	Approval by Securities and Exchange Commission of the amendment to the By-Laws of RLC

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on January 6, 2017.

By:

Lance Y. Gokongwei
Vice Chairman & Chief Executive Officer
(Acts as Principal Financial Officer)
1/6/17

Frederick D. Go
President & Chief Operating Officer
1/6/17

Kerwin Max S. Tan
Chief Financial Officer
1/6/17

Cecilia M. Pascual
VP - Group Controller/
Principal Accounting Officer
1/6/17

Rosalinda F. Rivera
Corporate Secretary
1/6/17

SUBSCRIBED AND SWORN to before me this JAN 12 2017 day of ________ 2015, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	16679360	Jan. 26, 2016	Pasig City
Frederick D. Go	21814552	Jan. 6, 2016	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Cecilia M. Pascual	EC2296901	Oct. 3, 2014 - Oct. 2, 2019	Manila
Rosalinda F. Rivera	SSS No. 33-2484959-1		

ATTY. LUIS M. DE VERA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
PTR NO. 3802427-1/3/2017-Q.C.
IBP NO. 1054756-12/19/2016-Q.C
ROLL NO. 20761
ADM. MATTER NO. NP-160(2016-2017)
ADDRESS NO 2 CONGRESSIONAL AVE. COR. EDSA Q.C.
MCLE NO. V-0009642

Doc No. 458;
Page No. 93;
Book No. 8;
Series of 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

January 6, 2017

Securities and Exchange Commission
Ground Flr - North Wing, PICC Secretariat Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended September 30, 2016, 2015 and 2014, including the additional components attached herein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip, Gorres, Velayo and Co. (SGV), the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

James L. Go
Chairman

Lance Y. Gokongwei
Vice Chairman and Chief Executive Officer

Frederick D. Go
President and Chief Operating Officer

Kerwin Max S. Tan
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this day JAN 12 2017 at Q.C.

Signed this JAN 12 2017 day of ________.

Doc. No. 302;
Page No. 61;
Book No. 9;
Series of 2017

ATTY. LUIS M. DE VERA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
PTR NO. 3802427-1/3/2017-Q.C.
IBP NO. 1054756-12/19/2016-Q.C
ROLL NO. 20761
ADM. MATTER NO. NP-160(2016-2017)
ADDRESS NO 2 CONGRESSIONAL AVE. COR. EDSA Q.C.
MCLE NO. V-0009642

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited the accompanying consolidated financial statements of Robinsons Land Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at September 30, 2016 and 2015 and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended September 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SGV
Building a better working world

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Robinsons Land Corporation and its subsidiaries as at September 30, 2016 and 2015 and their financial performance and their cash flows for each of the three years in the period ended September 30, 2016, in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
SEC Accreditation No. 1229-AR-1 (Group A),
May 12, 2015, valid until May 11, 2018
Tax Identification No. 162-410-623
BIR Accreditation No. 08-001998-74-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5908770, January 3, 2017, Makati City

January 6, 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱1,149,164,948**	₱1,192,954,018
Receivables (Notes 5, 8, 20, 31 and 32)	**7,054,003,658**	5,020,966,811
Subdivision land, condominium and residential units for sale (Notes 5 and 9)	**25,849,498,584**	15,474,711,341
Other current assets (Notes 5, 10, 30, 31 and 32)	**4,447,437,200**	3,947,155,835
Total Current Assets	**38,500,104,390**	25,635,788,005
Noncurrent Assets		
Noncurrent receivables (Notes 5, 8, 20, 31 and 32)	**2,968,073,536**	2,708,934,759
Investment properties (Notes 5 and 11)	**71,902,208,855**	64,015,563,680
Property and equipment (Notes 5 and 12)	**4,459,615,952**	3,507,217,416
Other noncurrent assets (Notes 5, 13, 30, 31 and 32)	**2,210,189,816**	3,200,637,142
Total Noncurrent Assets	**81,540,088,159**	73,432,352,997
	₱120,040,192,549	₱99,068,141,002
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 16, 31 and 32)	**₱4,039,100,000**	₱3,048,897,460
Accounts payable and accrued expenses (Notes 14, 31 and 32)	**7,935,993,181**	5,904,742,249
Income tax payable	**701,170,234**	695,427,560
Deposits and other current liabilities (Notes 15, 20, 31 and 32)	**4,422,899,495**	3,310,858,559
Total Current Liabilities	**17,099,162,910**	12,959,925,828
Noncurrent Liabilities		
Loans payable (Notes 16, 31 and 32)	**33,305,405,604**	21,833,056,539
Deferred tax liabilities - net (Note 27)	**2,752,332,855**	2,336,240,033
Deposits and other noncurrent liabilities (Notes 17, 29, 31 and 32)	**5,410,258,883**	5,144,338,426
Total Noncurrent Liabilities	**41,467,997,342**	29,313,634,998
Total Liabilities	**58,567,160,252**	42,273,560,826
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 19)	**4,111,528,685**	4,111,528,685
Additional paid-in capital (Note 19)	**20,392,532,781**	20,392,532,781
Other equity reserve (Note 19)	**(87,597,873)**	(87,597,873)
Other comprehensive income		
Remeasurements of net defined benefit liability - net of tax (Note 29)	**(116,728,484)**	(76,401,362)
Cumulative translation adjustment	**42,079,768**	–
Retained earnings (Note 18)		
Unappropriated	**21,222,732,343**	15,541,979,334
Appropriated	**16,000,000,000**	17,000,000,000
Treasury stock (Note 19)	**(221,834,657)**	(221,834,657)
	61,342,712,563	56,660,206,908
Non-controlling interest	**130,319,734**	134,373,268
	61,473,032,297	56,794,580,176
	₱120,040,192,549	₱99,068,141,002

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended September 30		
	2016	2015	2014
REVENUE (Notes 6 and 21)			
Real Estate Operations			
Rental income (Notes 11 and 20)	**₱10,556,125,587**	₱9,287,978,214	₱7,956,129,097
Real estate sales	**7,193,970,995**	6,313,458,917	5,646,638,459
Amusement income	**1,694,021,661**	1,531,671,101	1,259,795,201
Others	**1,259,845,366**	835,331,229	651,412,090
	20,703,963,609	17,968,439,461	15,513,974,847
Hotel Operations	**1,807,598,592**	1,745,849,675	1,533,748,393
	22,511,562,201	19,714,289,136	17,047,723,240
COSTS (Notes 6 and 22)			
Real Estate Operations			
Cost of rental services (Note 26)	**3,973,070,846**	3,444,107,903	3,013,142,880
Cost of real estate sales (Note 9)	**3,982,243,972**	3,207,254,788	3,071,340,402
Cost of amusement services	**764,711,495**	694,919,851	575,239,755
Others	**619,951,194**	489,023,816	403,144,880
	9,339,977,507	7,835,306,358	7,062,867,917
Hotel Operations	**1,316,869,629**	1,292,572,691	1,174,094,303
	10,656,847,136	9,127,879,049	8,236,962,220
	11,854,715,065	10,586,410,087	8,810,761,020
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 23)	**3,402,719,589**	3,050,178,736	2,572,474,729
OPERATING INCOME	**8,451,995,476**	7,536,231,351	6,238,286,291
OTHER INCOME (LOSSES)			
Gain from insurance claims (Note 26)	**208,583,885**	20,410,473	–
Gain (loss) on foreign exchange	**69,815,448**	(2,152,610)	3,451,988
Interest income (Note 26)	**18,075,015**	39,347,029	14,634,631
Gain on sale of investment property	**7,281,855**	–	–
Interest expense (Notes 16 and 26)	**(571,626,129)**	(5,288,926)	–
	(267,869,926)	52,315,966	18,086,619
INCOME BEFORE INCOME TAX	**8,184,125,550**	7,588,547,317	6,256,372,910
PROVISION FOR INCOME TAX (Note 27)	**2,033,647,029**	1,887,514,489	1,521,473,093
NET INCOME	**6,150,478,521**	5,701,032,828	4,734,899,817
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**42,079,768**	–	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 29)	**(57,610,174)**	(3,963,850)	7,159,184
Income tax effect (Note 27)	**17,283,052**	1,189,155	(2,147,755)
	(40,327,122)	(2,774,695)	5,011,429
Total Other Comprehensive Income	**1,752,646**	(2,774,695)	5,011,429
TOTAL COMPREHENSIVE INCOME	**₱6,152,231,167**	₱5,698,258,133	₱4,739,911,246

(Forward)

	Years Ended September 30		
	2016	2015	2014
Net Income Attributable to:			
Equity holders of Parent Company	**₱6,154,532,055**	₱5,699,709,532	₱4,737,013,328
Non-controlling interest in consolidated subsidiaries	**(4,053,534)**	1,323,296	(2,113,511)
	₱6,150,478,521	₱5,701,032,828	₱4,734,899,817
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱6,156,284,701**	₱5,696,934,837	₱4,742,024,757
Non-controlling interest in consolidated subsidiaries	**(4,053,534)**	1,323,296	(2,113,511)
	₱6,152,231,167	₱5,698,258,133	₱4,739,911,246
Basic/Diluted Earnings Per Share (Note 28)	**₱1.50**	₱1.39	₱1.16

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Year Ended September 30, 2016									
	Attributable to Equity Holders of the Parent Company								**Attributable to Non-controlling Interest in Consolidated Subsidiaries**	
	Capital Stock (Note 19)	**Additional Paid-in Capital** (Note 19)	**Treasury Stock** (Note 19)	**Other Equity Reserve** (Note 19)	**Remeasurement of Net Defined Benefit Liability** (Note 29)	**Cumulative Translation Adjustment**	**Unappropriated Retained Earnings** (Note 18)	**Appropriated Retained Earnings** (Note 18)		**Total Equity**
Balances at beginning of year	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱76,401,362)**	**₱–**	**₱15,541,979,334**	**₱17,000,000,000**	**₱134,373,268**	**₱56,794,580,176**
Comprehensive income	–	–	–	–	–	–	–	–	–	–
Net income	–	–	–	–	–	–	**6,154,532,055**	–	**(4,053,534)**	**6,150,478,521**
Other comprehensive income	–	–	–	–	**(40,327,122)**	**42,079,768**	–	–	–	**1,752,646**
Total comprehensive income	–	–	–	–	**(40,327,122)**	**42,079,768**	**6,154,532,055**	–	**(4,053,534)**	**6,152,231,167**
Reversal of appropriation (Note 18)	–	–	–	–	–	–	**17,000,000,000**	**(17,000,000,000)**	–	–
Appropriation (Note 18)	–	–	–	–	–	–	**(16,000,000,000)**	**16,000,000,000**	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	**(1,473,779,046)**	–	–	**(1,473,779,046)**
Balances at end of year	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱116,728,484)**	**₱42,079,768**	**₱21,222,732,343**	**₱16,000,000,000**	**₱130,319,734**	**₱61,473,032,297**

	For the Year Ended September 30, 2015									
	Attributable to Equity Holders of the Parent Company								Attributable to Non-controlling Interest in Consolidated Subsidiaries	
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurement of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Notes 18)	Appropriated Retained Earnings (Note 18)		Total Equity
Balances at beginning of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱73,626,667)	₱–	₱11,316,048,848	₱17,000,000,000	₱133,049,972	₱52,570,101,089
Comprehensive income										
Net income	–	–	–	–	–	–	5,699,709,532	–	1,323,296	5,701,032,828
Other comprehensive income	–	–	–	–	(2,774,695)	–	–	–	–	(2,774,695)
Total comprehensive income	–	–	–	–	(2,774,695)	–	5,699,709,532	–	1,323,296	5,698,258,133
Reversal of appropriation (Note 18)	–	–	–	–	–	–	17,000,000,000	(17,000,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	–	(17,000,000,000)	17,000,000,000	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at end of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱76,401,362)	₱–	₱15,541,979,334	₱17,000,000,000	₱134,373,268	₱56,794,580,176

For the Year Ended September 30, 2014

	Attributable to Equity Holders of the Parent Company							Attributable to Non-controlling Interest in Consolidated Subsidiaries	Total Equity
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurement of Net Defined Benefit Liability (Note 29)	Unappropriated Retained Earnings (Note 18)	Appropriated Retained Earnings (Note 18)		
Balances at beginning of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱78,638,096)	₱13,852,814,566	₱11,200,000,000	₱135,163,483	₱49,303,968,889
Comprehensive income									
Net income	–	–	–	–	–	4,737,013,328	–	(2,113,511)	4,734,899,817
Other comprehensive income	–	–	–	–	5,011,429	–	–	–	5,011,429
Total comprehensive income	–	–	–	–	5,011,429	4,737,013,328	–	(2,113,511)	4,739,911,246
Reversal of appropriation (Note 18)	–	–	–	–	–	11,200,000,000	(11,200,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	(17,000,000,000)	17,000,000,000	–	–
Cash dividends (Note 18)	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at end of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱73,626,667)	₱11,316,048,848	₱17,000,000,000	₱133,049,972	₱52,570,101,089

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱8,184,125,550**	₱7,588,547,317	₱6,256,372,910
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 22, and 24)	**3,571,271,998**	3,150,437,260	2,731,972,693
Interest expense on loans payable excluding capitalized borrowing cost (Note 26)	**571,626,129**	5,288,926	–
Accretion expense on security deposits (Notes 15 and 26)	**66,820,441**	63,905,363	78,279,804
Provision for impairment losses (Note 8)	**1,634,384**	–	–
Loss on retirement of investment properties and property and equipment (Note 12)	**–**	12,750	324,018,712
Gain on sale of investment property (Note 11)	**(7,281,855)**	–	–
Interest income (Notes 7, 21 and 26)	**(326,362,956)**	(580,755,622)	(513,959,506)
Operating income before working capital changes	**12,061,833,691**	10,227,435,994	8,876,684,613
Decrease (increase) in:			
Receivables - trade	**(2,298,872,947)**	(1,029,716,677)	(1,647,765,560)
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(10,269,088,882)**	(773,883,181)	(1,393,081,568)
Prepaid expenses and value-added input tax	**(154,214,318)**	(133,404,192)	(636,849,482)
Other current assets	**95,475,649**	(37,935,575)	729,821,292
Increase in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**1,442,405,192**	1,110,913,927	985,452,905
Net pension liabilities	**34,516,561**	36,669,861	34,833,887
Customers' deposits	**1,244,567,497**	685,769,144	389,238,067
Cash generated from operations	**2,156,622,443**	10,085,849,301	7,338,334,154
Interest received from installment contract receivables (Notes 21 and 26)	**308,287,941**	541,408,593	499,324,875
Income tax paid	**(1,611,811,533)**	(1,052,182,108)	(1,246,860,762)
Net cash flows provided by operating activities	**853,098,851**	9,575,075,786	6,590,798,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**18,221,298**	39,275,826	14,617,135
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 20)	**4,916,656**	(815,502)	(272,007)
Advances to suppliers and contractors (Notes 10 and 13)	**(881,320,355)**	(1,517,400,009)	(494,045,948)
Other noncurrent assets	**1,298,516,855**	(1,539,044,096)	(95,339,495)
Advances to lot owners	**51,490,204**	475,054,329	(395,611,155)
Additions to:			
Investment properties (inclusive of capitalized borrowing cost) (Notes 11 and 35)	**(10,408,209,367)**	(11,902,649,055)	(9,045,673,756)
Property and equipment (Notes 12 and 35)	**(1,452,986,001)**	(635,124,068)	(587,097,540)
Proceeds from sale of investment property	**33,610,500**	–	–
Net cash flows used in investing activities	**(11,335,760,210)**	(15,080,702,575)	(10,603,422,766)

(Forward)

	Years Ended September 30		
	2016	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans payable (Note 16)	**₱11,500,000,000**	₱12,000,000,000	₱10,000,000,000
Availment of short-term loans (Note 16)	**4,039,100,000**	3,048,897,460	8,101,450,000
Increase (decrease) in payable to affiliated companies and other liabilities (Note 15)	**(3,980,173)**	211,582,612	147,680,169
Interest paid	**(517,222,768)**	69,038,405	(34,074,420)
Payments of loans payable (Note 16)	–	–	(10,000,000,000)
Payments of debt issue cost (Note 16)	**(57,500,000)**	(111,924,327)	(79,698,532)
Payments of cash dividends (Notes 14 and 18)	**(1,472,627,310)**	(1,472,518,532)	(1,470,911,440)
Payments of short-term loans (Note 16)	**(3,048,897,460)**	(8,101,450,000)	(2,678,400,000)
Net cash flows provided by financing activities	**10,438,872,289**	5,643,625,618	3,986,045,777
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(43,789,070)**	137,998,829	(26,578,722)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,192,954,018**	1,054,955,189	1,081,533,911
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱1,149,164,948**	₱1,192,954,018	₱1,054,955,189

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines. The Parent Company and its subsidiaries are collectively referred herein as "the Group".

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country's largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

The Parent Company's shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

The Parent Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The consolidated financial statements as of September 30, 2016 and 2015 and for each of the three years in the period ended September 30, 2016 were authorized for issue by the Parent Company's Board of Directors (BOD) on January 6, 2017.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis and are presented in Philippine Peso (₱), the Parent Company's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance
The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of September 30, 2016 and 2015, and for each of the three years in the period ended September 30, 2016.

The consolidated financial statements are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when controls is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests, including preferred shares and options under share-based transactions, if any.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of September 30:

	Country of Incorporation	Effective Percentage of Ownership	
		2016	2015
Robinson's Inn Inc.	Philippines	**100%**	100%
Robinsons Realty and Management Corp.	Philippines	**100%**	100%
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**	100%
Manhattan Buildings and Management Corp.	Philippines	**100%**	100%
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**	100%
Altus San Nicolas Corporation (ASNC)	Philippines	**100%**	100%
Altus Angeles, Inc. (AAI)	Philippines	**51%**	51%
GoHotels Davao, Inc.	Philippines	**51%**	51%
Lingkod Pinoy Bus Liner, Inc.	Philippines	**80%**	–
RLC Resources Ltd.	British Virgin Island	**100%**	100%
Kingdom Pacific Ltd. (Kingdom Pacific)	Hong Kong	**–**	100%
Land Century Holdings Ltd.	Hong Kong	**100%**	100%
World Century Enterprise Ltd.	Hong Kong	**100%**	100%
Crown Harbour Holdings Ltd. (Crown Harbour)	Hong Kong	**–**	100%
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**	100%
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**	–

On October 19, 2015, Chengdu Xin Yao, subsidiary of First Capital, was incorporated to engage in the business of real estate development of Wuhou District of Chengdu Province in China (see Note 9).

On April 7, 2016, Lingkod Pinoy Bus Liner, Inc. was incorporated to engage in land transportation for transportation of carriage of passengers, goods, and merchandise within any place in the Philippines.

On June 20, 2016, the Directors of RLC Resources Limited approved the sale of 100% of its investment in Crown Harbor Holdings, Limited and Kingdom Pacific Limited. On July 12, 2016, the investment in Crown Harbour and Kingdom Pacific, were sold to Paramount Ventures Group Limited.

As of September 30, 2016, 2015 and 2014, the Group has no subsidiary with material non-controlling interest that would require additional disclosures.

3. Changes in Accounting Policies

Standards Issued But Not Yet Effective

The Group has not applied the following PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations which are not yet effective as of September 30, 2016. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have any significant impact on the consolidated financial statements.

Effective January 1, 2016

- PFRS 10, *Consolidated Financial Statements,* PFRS 12, *Disclosure of Interests in Other Entities,* and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendments)*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests (Amendments)*
- PFRS 14, *Regulatory Deferral Accounts*
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative (Amendments)*
- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
- Annual Improvements to PFRSs (2012-2014 cycle)
    - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
    - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
    - PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
    - PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*
    - PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Effective January 1, 2017

- PAS 7, *Cash Flow Statement*s - *Disclosure Initiative (Amendments)*
- PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)*

Effective January 1, 2018

- PFRS 9, *Financial Instruments*
  In July 2014, the International Accounting Standards Board (IASB) issued the final version of International Financial Reporting Standards (IFRS) 9, *Financial Instruments*. The new standard (renamed as PFRS 9) reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of adopting this standard.

Effective January 1, 2019

- PFRS 16, *Leases*
  On January 13, 2016, the IASB issued its new standard, PFRS 16, *Leases*, which replaces PAS 17, the current leases standard, and the related Interpretations.

  Under the new standard (renamed as PFRS 16), lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statements of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

  The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

  The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is not permitted until the FRSC has adopted the new revenue recognition standard. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group plans to adopt the new standard on the required effective date. It is currently assessing the impact of the new standard and expects it to significantly impact its lease arrangements wherein the Group is a lessee as it will already recognize the related assets and liabilities in its statements of financial position.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principals in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

  The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

4. Summary of Significant Accounting Policies

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

Rental income
The Group leases its commercial and office real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term and may include contingent rents based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income
Revenue is recognized upon rendering of services.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Gains
Gains represent other items that meet the definition of income and may, or may not, arise in the course of the ordinary activities of the Group. Gains represent increases in economic benefits and have the same nature as revenue. These are recognized as income when cash is realized.

Costs Recognition
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

General and Administrative Expense
Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current and Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

<u>Cash and Cash Equivalents</u>
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

<u>Financial Instruments - Initial Recognition and Subsequent Recognition</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.

In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

<u>Financial Assets</u>
Initial recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investment, available for sale(AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at FVPL, transaction costs that are directly attributable to the acquisition of financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets are of the nature of loans and receivables as of September 30, 2016 and 2015.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

The Group's loans and receivables include cash and cash equivalents, receivables and refundable utility deposits included under "Other Current and Noncurrent Assets".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it

includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liablities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables are presented net of directly attributable debt issue or transaction costs.

The Group's financial liabilities include other financial liabilities as of September 30, 2016 and 2015.

Other Financial Liabilities
After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other liabilities".

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability

and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits
Deposits from lessees
Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized using the straight-line method.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenues in the profit or loss as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as "Deposits from real estate buyers" and reported under the "Deposits and other liabilities" account in the consolidated statement of financial position.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Value-added Tax (VAT)
Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except when the VAT incurred on a purchase of assets or services is not recoverable from the taxation

authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item is applicable.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20
Building improvements	10
Land improvements	10

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that the Group's investment properties and property and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in "Subdivision Land, Condominium and Residential Units for Sale", "Properties and Equipment" and "Investment Properties" accounts in the Group's consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under "Interest expense."

Equity
Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

Treasury Stock
Own equity instruments which are acquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit and loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Other equity reserve
Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

Income Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are earned at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets and deferred tax liabilities that will reverse during the income tax holiday (ITH).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

<u>Leases</u>
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the leased contract.

Group as a lessor
Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in their consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Foreign currencies

The Group’s consolidated financial statements are presented in Philippine Peso, which is also the Parent company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation

On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holder of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue and cost recognition on real estate sales
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Operating leases commitments - Group as lessee
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group.

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee.

Finance lease commitments - Group as lessor
The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments, that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. Owner-occupied properties are attributable not only to the main property but also to the other assets used in the supply process.

Some properties are held to earn rentals or for capital appreciation and other properties are held for use in rendering of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in providing services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Distinction between subdivision land (inventory) and land and land improvements (investment property)
The Group determines whether a property will be classified as “Subdivision land” or “Land and land improvements”. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Subdivision land) or whether it will be retained as part of the Group’s strategic land banking activities for future development or sale which are yet to be finalized by the Group (Investment property).

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group’s financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 34).

Estimates
The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition
The Group’s revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group’s revenue and cost from real estate is recognized based on the percentage of completion measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the year ended September 30, 2016, 2015 and 2014, the real estate sales amounted to ₱7,194 million, ₱6,313 million and ₱5,647 million, respectively while cost of sales amounted to ₱3,982 million, ₱3,207 million and ₱3,071 million, respectively.

Allowance for impairment losses
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management based on the factors that affect the collectability of the accounts. For rental activities, these factors include, but are not limited to, the length of the Group’s relationship with the tenant, the tenant’s payment behavior and other known market factors. For real estate sales activities, these factors include the fact that title of the real estate properties will only transfer to the buyer if the receivables are fully settled and paid. The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures.

The related balances follow (see Note 8):

	2016	2015
Receivables	**₱10,069,753,795**	₱7,775,943,787
Allowance for impairment losses	**47,676,601**	46,042,217

Useful lives of investment properties and property and equipment
The Group estimates the useful lives of the depreciable investment properties and property and equipment based on the period over which the assets are expected to be available for use. The Group reviews periodically the estimated useful lives of investment properties and property and equipment based on factors that include asset utilization, internal technical evaluation,

technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of investment properties and property and equipment would increase the recorded depreciation and amortization expense and decrease the related asset accounts.

The related balances follow:

	2016	2015
Investment properties, excluding land (Note 11)		
Cost	**₱67,979,470,213**	₱58,400,974,146
Accumulated depreciation and amortization	**24,323,342,677**	21,341,700,039
Property and equipment (Note 12)		
Cost	**9,611,961,132**	8,074,510,249
Accumulated depreciation and amortization	**5,152,345,180**	4,567,292,833

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of September 30, 2016 and 2015, the Group's subdivision land, condominium and residential units for sale amounted to ₱25,849 million and ₱15,475 million, respectively (see Note 9).

Impairment of nonfinancial assets
The Group assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

As of September 30, 2016 and 2015, the Group's investment properties amounted to ₱71,902 million and ₱64,016 million, respectively (see Note 11). The Group's property and equipment amounted to ₱4,460 million and ₱3,507 million as of September 30, 2016 and 2015, respectively (see Note 12).

The Group has no impairment of nonfinancial assets as of September 30, 2016 and 2015.

Recognition of deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets as of September 30, 2016 and 2015 amounted to ₱790 million and ₱716 million, respectively (see Note 27).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱4 million and ₱3 million as of September 30, 2016 and 2015, respectively. The related deferred tax assets amounted to ₱1 million as of September 30, 2016 and 2015 (see Note 27).

As of September 30, 2016 and 2015, the Group operates a hotel and has certain residential projects which enjoy the benefits of an ITH. As such, no deferred tax assets were set up on certain gross deductible temporary differences that are expected to reverse within the ITH period (see Note 33).

Pension cost
The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 29).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of September 30, 2016 and 2015, the Group's present value of defined benefit obligations is shown in Note 29.

6. **Operating Segments**

Business Segments
The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and amortization and other income(losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as the real estate development in China is still in the pre-operating stage.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes, depreciation and amortization.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

Hotel Division - owns and operates a chain of hotels in various locations in the Philippines.

The financial information about the operations of these business segments is summarized as follows:

	2016					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue						
Segment revenue	**₱9,961,880,934**	**₱7,829,061,783**	**₱2,913,020,892**	**₱1,807,598,592**	**₱–**	**₱22,511,562,201**
Intersegment revenue	**55,590,754**	**–**	**11,198,391**	**–**	**(66,789,145)**	**–**
Total Revenue	**10,017,471,688**	**7,829,061,783**	**2,924,219,283**	**1,807,598,592**	**(66,789,145)**	**22,511,562,201**
Costs and expenses						
Segment costs and expenses	**3,309,888,773**	**5,749,694,729**	**281,199,640**	**1,147,511,585**	**–**	**10,488,294,727**
Intersegment costs and expenses	**6,825,206**	**63,035,571**	**(11,680,557)**	**8,608,925**	**(66,789,145)**	**–**
Total Costs and expenses	**3,316,713,979**	**5,812,730,300**	**269,519,083**	**1,156,120,510**	**(66,789,145)**	**10,488,294,727**
Earnings before interest, taxes and depreciation and amortization	**6,700,757,709**	**2,016,331,483**	**2,654,700,200**	**651,478,082**	**–**	**12,023,267,474**
Depreciation and amortization (Notes 22 and 24)	**2,746,396,661**	**34,309,947**	**621,207,346**	**169,358,044**	**–**	**3,571,271,998**
Operating income	**₱3,954,361,048**	**₱1,982,021,536**	**₱2,033,492,854**	**₱482,120,038**	**₱–**	**₱8,451,995,476**

(Forward)

	2016					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Assets and Liabilities						
Segment assets	**₱60,030,652,818**	**₱43,469,784,109**	**₱12,666,803,823**	**₱3,872,951,799**	**₱–**	**₱120,040,192,549**
Investment in subsidiaries - at cost	**11,009,215,946**	**–**	**–**	**25,500,000**	**(11,034,715,946)**	**–**
Total segment assets	**₱71,039,868,764**	**₱43,469,784,109**	**₱12,666,803,823**	**₱3,898,451,799**	**(₱11,034,715,946)**	**₱120,040,192,549**
Total segment liabilities	**₱48,378,933,760**	**₱6,963,124,434**	**₱2,273,902,977**	**₱951,199,081**	**₱–**	**₱58,567,160,252**
Other segment information:						
Capital expenditures (Note 11 and 12)						**₱12,390,195,956**
Additions to subdivision land, condominium and residential units for sale (Note 9)						**₱14,293,412,622**
Cash flows from:						
Operating activities	**(₱1,841,614,430)**	**₱215,869,745**	**₱1,784,291,784**	**₱694,551,752**	**₱–**	**₱853,098,851**
Investing activities	**(8,557,665,607)**	**(3,506,959)**	**(1,788,278,963)**	**(986,308,681)**	**–**	**(11,335,760,210)**
Financing activities	**10,267,456,029**	**148,752,504**	**–**	**22,663,756**	**–**	**10,438,872,289**

	2015					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱9,103,360,425	₱6,623,548,373	₱2,241,530,663	₱1,745,849,675	₱–	₱19,714,289,136
Intersegment revenue	54,830,516	–	–	–	(54,830,516)	–
Total Revenue	9,158,190,941	6,623,548,373	2,241,530,663	1,745,849,675	(54,830,516)	19,714,289,136
Costs and expenses						
Segment costs and expenses	2,973,104,567	4,791,962,979	135,618,549	1,126,934,430	–	9,027,620,525
Intersegment costs and expenses	–	54,830,516	–	–	(54,830,516)	–
Total Costs and expenses	2,973,104,567	4,846,793,495	135,618,549	1,126,934,430	(54,830,516)	9,027,620,525
Earnings before interest, taxes and depreciation and amortization	6,185,086,374	1,776,754,878	2,105,912,114	618,915,245	–	10,686,668,611
Depreciation and amortization (Notes 22 and 24)	2,416,157,268	34,380,494	534,261,237	165,638,261	–	3,150,437,260
Operating income	₱3,768,929,106	₱1,742,374,384	₱1,571,650,877	₱453,276,984	₱–	₱7,536,231,351
Assets and Liabilities						
Segment assets	₱53,811,784,260	₱30,861,305,340	₱11,172,903,565	₱3,222,147,837	₱–	₱99,068,141,002
Investment in subsidiaries - at cost	774,855,085	–	–	25,500,000	(800,355,085)	–
Total segment assets	₱54,586,639,345	₱30,861,305,340	₱11,172,903,565	₱3,247,647,837	(₱800,355,085)	₱99,068,141,002
Total segment liabilities	₱32,475,315,132	₱6,925,059,155	₱1,890,781,507	₱982,405,032	₱–	₱42,273,560,826
Other segment information:						
Capital expenditures (Note 11 and 12)						₱12,791,561,899
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱3,981,137,969
Cash flows from:						
Operating activities	₱6,526,505,806	₱1,096,282,692	₱1,534,834,822	₱417,452,466	₱–	₱9,575,075,786
Investing activities	(12,226,531,210)	(1,080,550,575)	(1,554,369,471)	(219,251,319)	–	(15,080,702,575)
Financing activities	5,696,807,373	(19,054,077)	–	(34,127,678)	–	5,643,625,618

	2014					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱8,104,816,189	₱5,864,907,037	₱1,544,251,621	₱1,533,748,393	₱–	₱17,047,723,240
Intersegment revenue	46,797,332	–	–	–	(46,797,332)	–
Total Revenue	8,151,613,521	5,864,907,037	1,544,251,621	1,533,748,393	(46,797,332)	17,047,723,240
Costs and expenses						
Segment costs and expenses	2,599,217,442	4,403,340,314	67,416,885	1,007,489,615	–	8,077,464,256
Intersegment costs and expenses	–	46,797,332	–	–	(46,797,332)	–
Total Costs and expenses	2,599,217,442	4,450,137,646	67,416,885	1,007,489,615	(46,797,332)	8,077,464,256

(Forward)

	2014					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Earnings before interest, taxes and depreciation and amortization	₱5,552,396,079	₱1,414,769,391	₱1,476,834,736	₱526,258,778	₱–	₱8,970,258,984
Depreciation and amortization (Notes 22 and 24)	2,105,789,830	29,832,608	429,745,567	166,604,688	–	2,731,972,693
Operating income	₱3,446,606,249	₱1,384,936,783	₱1,047,089,169	₱359,654,090	₱–	₱6,238,286,291
Assets and Liabilities						
Segment assets	₱45,888,121,873	₱27,347,066,806	₱9,507,454,046	₱2,626,772,559	₱–	₱85,369,415,284
Investment in subsidiaries - at cost	800,287,546	–	–	–	(800,287,546)	–
Total segment assets	₱46,688,409,419	₱27,347,066,806	₱9,507,454,046	₱2,626,772,559	(₱800,287,546)	₱85,369,415,284
Total segment liabilities	₱25,562,232,757	₱5,295,651,135	₱1,212,515,943	₱728,914,360	₱–	₱32,799,314,195
Other segment information:						
Capital expenditures						₱9,632,771,296
Additions to subdivision land, condominium and residential units for sale						₱4,464,421,970
Cash flows from:						
Operating activities	₱4,214,894,724	₱859,330,586	₱1,304,693,912	₱211,879,045	₱–	₱6,590,798,267
Investing activities	(8,171,024,196)	(914,443,675)	(1,262,308,168)	(255,646,727)	–	(10,603,422,766)
Financing activities	3,787,357,629	48,734,806	–	149,953,342	–	3,986,045,777

The revenue of the Group consists mainly of sales to domestic customers. Inter-segment revenue accounted for under PFRS and on an arm’s length basis arising from lease arrangements amounting ₱67 million, ₱55 million and ₱47 million in 2016, 2015 and 2014, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱10,098 million as of September 30, 2016.

No operating segments have been aggregated to form the above reportable segments. Capital expenditures consists of additions to property and equipment and investment properties.

Significant customers in lease arrangements under commercial center division include the affiliated entities (see Note 20). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to about ₱2,181 million, ₱1,877 million and ₱1,630 million in 2016, 2015 and 2014, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	2016	2015	2014
EBITDA	**₱12,023,267,474**	₱10,686,668,611	₱8,970,258,984
Depreciation and amortization (Note 24)	**(3,571,271,998)**	(3,150,437,260)	(2,731,972,693)
Other income - net	**(267,869,926)**	52,315,966	18,086,619
Income before income tax	**₱8,184,125,550**	₱7,588,547,317	₱6,256,372,910

7. Cash and Cash Equivalents

	2016	2015
Cash on hand and in banks	**₱771,028,252**	₱597,003,967
Short-term investments	**378,136,696**	595,950,051
	₱1,149,164,948	₱1,192,954,018

Cash in banks earn interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 0.7% to 1.4%, 0.38% to 1.25% and 1.00% to 4.63% in 2016, 2015 and 2014, respectively.

Interest earned from cash in banks and short-term investments for the years ended September 30, 2016, 2015 and 2014 amounted to ₱18 million, ₱39 million and ₱14 million, respectively (see Note 26).

8. Receivables

	2016	2015
Trade		
Installment contract receivables	**₱8,217,622,057**	₱6,216,079,304
Accrued rent receivables	**721,628,537**	518,174,550
Rental receivables (Note 20)	**665,821,326**	420,768,745
Hotel operations	**190,973,512**	206,549,903
	9,796,045,432	7,361,572,502
Affiliated companies (Note 20)	**17,561,348**	22,478,004
Others	**256,147,015**	391,893,281
	10,069,753,795	7,775,943,787
Less allowance for impairment losses	**47,676,601**	46,042,217
	10,022,077,194	7,729,901,570
Less noncurrent portion	**2,968,073,536**	2,708,934,759
	₱7,054,003,658	₱5,020,966,811

The installment contract receivables aggregating to ₱8,218 million and ₱6,216 million as of September 30, 2016 and 2015, respectively, are collectible in monthly installments over a period of one (1) to five (5) years and bear annual interest ranging from 12% to 21% computed on the diminishing balance of the principal. The noncurrent portion of installment contract receivables amounting to ₱2,325 million and ₱2,258 million as of September 30, 2016 and 2015, respectively. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid.

The accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of September 30, 2016 and 2015, the noncurrent portion of accrued rent receivable amouting to ₱643 million and ₱451 million, respectively.

Rental receivables from affiliated companies included under “Rental receivables” amounted to about ₱137 million and ₱103 million as of September 30, 2016 and 2015, respectively (see Note 20).

Other receivables consist primarily of insurance claims, receivables from officers and employees, and advances to brokers. The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Allowance for impairment losses on trade receivables as of September 30 follow:

	2016			
	Individual Assessment		**Collective Assessment**	
	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at beginning of year	₱13,905,027	₱13,137,190	₱19,000,000	₱46,042,217
Provision for impairment losses	–	1,634,384	–	1,634,384
Balances at end of year	₱13,905,027	₱14,771,574	₱19,000,000	₱47,676,601

	2015			
	Individual Assessment		Collective Assessment	
	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at beginning and end of year	₱13,905,027	₱13,137,190	₱19,000,000	₱46,042,217

No provision for impairment losses were recognized by the Group in 2015.

Aging Analysis

The aging analysis of the Group's receivables follows:

	2016						
		Neither	**Past Due But Not Impaired**				**Past**
	Total	**Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Due and Impaired**
Trade receivables							
Installment contract receivables	**₱8,217,622,057**	**₱7,220,420,961**	**₱179,137,309**	**₱106,054,366**	**₱101,376,753**	**₱591,632,668**	**₱19,000,000**
Accrued rent receivables	**721,628,537**	**721,628,537**	–	–	–	–	–
Rental receivables	**665,821,326**	**70,465,687**	**59,164,106**	**10,066,513**	**120,180,867**	**392,039,126**	**13,905,027**
Hotel operations	**190,973,512**	**42,376,585**	**30,516,963**	**21,734,435**	**21,187,387**	**60,386,568**	**14,771,574**
Affiliated companies (Note 20)	**17,561,348**	**17,561,348**	–	–	–	–	–
Others	**256,147,015**	**256,147,015**	–	–	–	–	–
	₱10,069,753,795	**₱8,328,600,133**	**₱268,818,378**	**₱137,855,314**	**₱242,745,007**	**₱1,044,058,362**	**₱47,676,601**

	2015						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	₱6,216,079,304	₱4,680,803,571	₱451,394,026	₱159,411,964	₱58,825,531	₱846,644,212	₱19,000,000
Accrued rent receivables	518,174,550	518,174,550	–	–	–	–	–
Rental receivables	420,768,745	134,295,019	35,194,503	91,337,698	24,456,703	121,579,795	13,905,027
Hotel operations	206,549,903	88,939,099	35,906,468	18,762,862	9,647,846	40,156,438	13,137,190
Affiliated companies (Note 20)	22,478,004	22,478,004	–	–	–	–	–
Others	391,893,281	391,893,281	–	–	–	–	–
	₱7,775,943,787	₱5,836,583,524	₱522,494,997	₱269,512,524	₱92,930,080	₱1,008,380,445	₱46,042,217

9. **Subdivision Land, Condominium and Residential Units for Sale**

	2016	2015
Land and condominium units	**₱10,150,791,260**	₱9,925,209,029
Residential units and subdivision land	**15,698,707,324**	5,549,502,312
	₱25,849,498,584	₱15,474,711,341

The subdivision land, condominium and residential units for sale are carried at cost.

A summary of the movement in inventory is set out below:

	2016	2015
Balances at beginning of year	**₱15,474,711,341**	₱15,174,707,862
Acquisition of land use right	**10,097,835,168**	–
Construction and development costs incurred	**4,195,577,454**	3,981,137,969
Transfers from (to) investment properties and property and equipment (Notes 11 and 12)	**63,618,593**	(473,879,702)
Cost of inventory sold (Note 22)	**(3,982,243,972)**	(3,207,254,788)
Balances at end of year	**₱25,849,498,584**	₱15,474,711,341

Borrowing cost capitalized amounted to ₱376 million and ₱66 million in 2016 and 2015, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2016 and 2015 is 4.45% and 4.54%, respectively. These amounts were included in the construction and development costs incurred (see Notes 11 and 16).

The amount of subdivision land, condominium and residential units for sale recognized as cost of sales in the consolidated statement of comprehensive income amounted to ₱3,982 million, ₱3,207 million and ₱3,071 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 22).

On September 18, 2015, the Group paid the Chinese Government bid deposit amounting to ₱1,440 million to join the bidding for the purchase of land rights located in Chengdu Province, China. The bid deposit was presented as “Deposit for land use right” as of September 30, 2015 (see Note 13). On October 20, 2015, the Contract for Assignment of the Rights to the Use of State-Owned Land was awarded to the Group.

In May 2016, the Masterplan had been completed which was submitted for approval to the Chinese government in the same month. The estimated time of approval from Chinese government will be in first quarter of 2017, and the project will take around 5 years to be completed.

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

There are no subdivision land, condominium and residential units for sale as of September 30, 2016 and 2015 that are pledged as security to liabilities.

10. **Other Current Assets**

	2016	2015
Advances to suppliers and contractors	**₱2,314,624,584**	₱1,801,913,691
Input VAT - net	**1,373,864,383**	1,200,051,270
Advances to lot owners (Note 30)	**551,372,410**	602,862,614
Restricted cash - escrow	**61,393,143**	124,905,880
Supplies	**68,508,974**	69,463,359
Prepaid expenses	**62,536,837**	52,313,625
Utility deposits (Notes 31 and 32)	**7,131,583**	5,386,072
Others	**8,005,286**	90,259,324
	₱4,447,437,200	₱3,947,155,835

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing and are expected to occur within the year.

Input VAT - net of output VAT can be applied against future output VAT.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Restricted cash - escrow pertains to cash placed in escrow funds earmarked for the acquisition of parcels of land, pursuant to the memorandum of agreement (MOA) with various sellers. Said amount shall be released to the sellers upon fulfillment of certain conditions set forth in MOA.

Supplies consist mainly of office and maintenance materials.

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Utility deposits consist primarily of bid bonds and meter deposits.

Others consist primarily of refundable deposit made by the Group.

11. **Investment Properties**

	2016				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at beginning of year	**₱26,956,289,573**	**₱205,327,538**	**₱52,198,272,835**	**₱5,997,373,773**	**₱85,357,263,719**
Additions	**1,380,195,603**	**12,634,165**	**3,034,907,598**	**6,509,472,589**	**10,937,209,955**
Retirement/disposal	**(26,328,645)**	**–**	**–**	**–**	**(26,328,645)**
Reclassification and transfers - net (Notes 9, 10 and 12)	**(64,075,212)**	**12,054,920**	**8,907,166,341**	**(8,897,739,546)**	**(42,593,497)**
Balances at end of year	**28,246,081,319**	**230,016,623**	**64,140,346,774**	**3,609,106,816**	**96,225,551,532**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**93,567,175**	**21,248,132,864**	**–**	**21,341,700,039**
Depreciation and amortization (Notes 22 and 24)	**–**	**17,004,609**	**2,964,638,029**	**–**	**2,981,642,638**
Balances at end of year	**–**	**110,571,784**	**24,212,770,893**	**–**	**24,323,342,677**
Net Book Value	**₱28,246,081,319**	**₱119,444,839**	**₱39,927,575,881**	**₱3,609,106,816**	**₱71,902,208,855**

	2015				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at beginning of year	₱21,031,172,772	₱186,030,981	₱46,790,968,860	₱5,626,256,327	₱73,634,428,940
Additions	4,984,141,804	17,906,700	1,076,386,107	6,078,003,220	12,156,437,831
Reclassification and transfers - net (Notes 9, 10 and 12)	940,974,997	1,389,857	4,330,917,868	(5,706,885,774)	(433,603,052)
Balances at end of year	26,956,289,573	205,327,538	52,198,272,835	5,997,373,773	85,357,263,719
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	79,651,638	18,699,309,040	–	18,778,960,678
Depreciation and amortization (Notes 22 and 24)	–	15,361,550	2,617,620,670	–	2,632,982,220
Reclassifications and transfers (Note 12)	–	(1,446,013)	(68,796,846)	–	(70,242,859)
Balances at end of year	–	93,567,175	21,248,132,864	–	21,341,700,039
Net Book Value	₱26,956,289,573	₱111,760,363	₱30,950,139,971	₱5,997,373,773	₱64,015,563,680

Investment properties consisted mainly of land held for appreciation, shopping malls/commercial centers and office buildings that are held to earn rentals.

In 2016, the Group transferred ₱113 million worth of investment properties to subdivision land, condominium and residential units for sale for the Group's residential project and in 2015, ₱1,264 million worth of subdivision land, condominium and residential units for sale were transferred to investment properties (see Note 9).

For the year ended September 30, 2016 and 2015, ₱39 million and ₱268 million net cost of investment properties were transferred to property and equipment for use in operations of the Group (see Note 12).

In 2016, the Group transferred ₱110 million worth of other current assets to investment properties.

Depreciation and amortization expense charged to operations amounted to ₱2,982 million, ₱2,633 million and ₱2,309 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Notes 22 and 24).

Borrowing costs capitalized amounted to about ₱447 million and ₱881 million in 2016 and 2015, respectively. These amounts were included in the consolidated statement of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2016 and 2015 is 4.45% and 4.54%, respectively.

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The fair value as of September 30, 2016 and 2015 amounted to ₱174,087 million and ₱163,577 million, respectively, which are based on independent third party appraisal reports, dated September 30, 2013 which are updated by the management for 2015 and 2016.

The fair value of the investment properties was arrived at using Income Approach in 2016 and 2015. The income approach, is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property.

The fair value of the investment properties disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation on malls and office buildings included under investment properties as of September 30, 2016 and 2015 follows:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Malls	DCF method	discount rate	10%
		capitalization rate	8.%-9.0%
		growth rate	0.0%-17.0%
		occupancy rate	72.0%-100.0%
Office buildings	DCF method	discount rate	10.0%
		capitalization rate	7.5%
		growth rate	4.0%-10%
		occupancy rate	35.0%-100.0%

The discounted cash flows, or DCF, valuation uses a fundamental approach in valuing the future economic benefits of a projected income stream.

The valuation process significantly consists of the following steps:

- Estimation of the revenues generated;
- Estimation of the costs and expenses related to the operations of the development;
- Estimation of an appropriate discount rate and other significant assumptions; and
- Discounting process using an appropriate discount rate to arrive at an indicative market value

Rental income derived from investment properties amounted to ₱10,556 million, ₱9,288 million, and ₱7,956 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 21).

Property operations and maintenance costs arising from investment properties amounted to ₱504 million, ₱395 million and ₱369 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 22).

There are no investment properties as of September 30, 2016 and 2015 that are pledged as security to liabilities.

12. **Property and Equipment**

	2016				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at beginning of year	**₱8,220,371**	**₱4,260,848,850**	**₱723,893,552**	**₱3,081,547,476**	**₱8,074,510,249**
Additions	**200,000**	**665,575,266**	**144,565,696**	**642,645,039**	**1,452,986,001**
Write-off	**–**	**(4,348,378)**	**–**	**(228,635)**	**(4,577,013)**
Reclassifications and transfers (Note 11)	**–**	**49,956,619**	**–**	**39,085,276**	**89,041,895**
Balances at end of year	**8,420,371**	**4,972,032,357**	**868,459,248**	**3,763,049,156**	**9,611,961,132**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**3,840,930**	**1,952,590,849**	**517,930,550**	**2,092,930,504**	**4,567,292,833**
Depreciation and amortization (Notes 22 and 24)	**748,267**	**128,570,480**	**91,403,158**	**368,907,455**	**589,629,360**
Write-off	**–**	**(4,348,378)**	**–**	**(228,635)**	**(4,577,013)**
Balances at end of year	**4,589,197**	**2,076,812,951**	**609,333,708**	**2,461,609,324**	**5,152,345,180**
Net Book Value	**₱3,831,174**	**₱2,895,219,406**	**₱259,125,540**	**₱1,301,439,832**	**₱4,459,615,952**

	2015				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at beginning of year	₱53,885,505	₱3,717,311,651	₱685,131,531	₱2,651,334,847	₱7,107,663,534
Additions	195,170	120,868,983	38,762,021	475,297,894	635,124,068
Write-off	–	(3,075,110)	–	(3,261,354)	(6,336,464)
Reclassifications and transfers (Note 11)	(45,860,304)	425,743,326	–	(41,823,911)	338,059,111
Balances at end of year	8,220,371	4,260,848,850	723,893,552	3,081,547,476	8,074,510,249
Accumulated Depreciation and Amortization					
Balances at beginning of year	39,410,095	1,703,063,008	437,432,335	1,806,013,210	3,985,918,648
Depreciation and amortization (Notes 22 and 24)	917,290	143,411,805	80,498,215	292,627,730	517,455,040
Write-off	–	(3,075,110)	–	(3,248,604)	(6,323,714)
Reclassifications and transfers (Note 11)	(36,486,455)	109,191,146	–	(2,461,832)	70,242,859
Balances at end of year	3,840,930	1,952,590,849	517,930,550	2,092,930,504	4,567,292,833
Net Book Value	₱4,379,441	₱2,308,258,001	₱205,963,002	₱988,616,972	₱3,507,217,416

In 2016, the Group transferred subdivision land, condominium and residential units for sale to property and equipment amounting ₱50 million (see Note 9).

Depreciation and amortization expense charged to operations amounted to ₱590 million, ₱517 million and ₱423 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Notes 22 and 24).

The following are the costs of property and equipment that are fully depreciated as of September 30, 2016 and 2015 but still used in operations:

	2016	2015
Building and improvements	**₱637,223,766**	₱626,351,142
Other equipment	**232,872,426**	209,849,927
Land improvements	**698,241**	698,241
	₱870,794,433	₱836,899,310

There are no property and equipment items as of September 30, 2016 and 2015 that are pledged as security to liabilities.

13. **Other Noncurrent Assets**

	2016	2015
Advances to suppliers and contractors	**₱890,750,324**	₱522,140,862
Utility deposits (Notes 31 and 32)	**605,906,349**	502,712,451
Prepaid rent	**432,867,917**	462,689,924
Advances to lot owners (Note 30)	**190,078,577**	190,078,577
Deposit for land use right	–	1,441,097,460
Others	**90,586,649**	81,917,868
	₱2,210,189,816	₱3,200,637,142

Advances to suppliers and contractors represent advance payment to suppliers or contractors which will be applied against the final billing.

Utility deposits consist primarily of bid bonds and meter deposits. These are deposits to utility companies in order to continue the availment of their services.

Prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and ASNC (a wholly-owned subsidiary). The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA.

Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA. The fixed lease for the initial year of the lease extension period shall be 5% of the average fair market value of the property on the 25^{th} year of the lease including the permanent improvements constructed therein.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Deposit for land use right pertains to bid deposit advanced for the acquisition of land use right of a property located in Chengdu Province, China. This was reclassified as part of subdivision land, condominium and residential units for sale upon submission of the masterplan to the Chinese government last May 2016 (see Note 9).

Others include deposit to various joint venture partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group’s share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

14. **Accounts Payable and Accrued Expenses**

	2016	2015
Accounts payable	**₱5,124,929,438**	₱3,301,667,947
Taxes and licenses payable	**1,321,403,186**	1,276,679,664
Accrued rent expense	**486,325,948**	402,160,439
Accrued salaries and wages	**401,022,053**	378,885,631
Accrued interest payable	**226,507,209**	172,103,848
Accrued contracted services	**198,696,863**	199,867,305
Dividends payable	**15,300,785**	14,149,049
Other accrued payable	**161,807,699**	159,228,366
	₱7,935,993,181	₱5,904,742,249

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities.

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Other accrued payable includes insurance payable and accrued utilities.

15. **Deposits and Other Current Liabilities**

	2016	2015
Deposits from lessees (Notes 17, 31 and 32)	**₱1,718,651,535**	₱1,674,062,682
Deposits from real estate buyers (Note 17)	**2,400,490,000**	1,336,361,420
Payables to affiliated companies (Notes 20, 31 and 32)	**130,906,253**	115,024,457
Others	**172,851,707**	185,410,000
	₱4,422,899,495	₱3,310,858,559

Deposits from lessees (including noncurrent portion shown in Note 17) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in "others" under cost of rental services, amounted to ₱67 million, ₱64 million and ₱78 million in 2016, 2015 and 2014, respectively (see Notes 22 and 26).

Included in the 'Deposit from lessees' are unearned rental income amounting to ₱281 million and ₱249 million as of September 30, 2016 and 2015, respectively. The rental income on amortization of unearned rental income included in "Rental income" amounted to ₱67 million, ₱63 million and ₱77 million in 2016, 2015 and 2014, respectively.

Deposits from real estate buyers (including noncurrent portion shown in Note 17) represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun.

Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

For the nature, terms and conditions of the payables to affiliated companies please refer to Note 20 to the consolidated financial statements.

Others pertain to amount payable to the Parent Company's co-stockholders in its subsidiaries.

16. Loans Payable

Short-term loans

	2016	2015
Short-term loan obtained from a local bank with maturity on March 2017. Interest rate is at 2.45% per annum payable monthly.	**₱3,000,000,000**	₱–
Short-term loan obtained from a local bank with maturity on November 2016. Interest rate is at 2.5% per annum payable monthly.	**764,500,000**	–
Short-term loan obtained from a local bank with maturity on October 2016. Interest rate is at 2.5% per annum payable monthly.	**274,600,000**	–
Short-term loan obtained from a local bank which matured on October 2015. Interest rate is at 2.5% per annum.	–	1,607,800,000
Short-term loan obtained from a local bank which matured on October 2015. Interest rate is at 1.85% per annum.	–	1,441,097,460
	₱4,039,100,000	₱3,048,897,460

Long-term loans

Details of the principal amount of the long-term loans follow:

	2016	2015
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP), and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly.	**9,000,000,000**	9,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable in full upon maturity, with interest fixed rate at 3.8327%, payable quarterly	**6,500,000,000**	–
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in full upon maturity, with interest fixed rate at 3.8900%, payable quarterly	**5,000,000,000**	–
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly	**1,000,000,000**	1,000,000,000
Total	**33,500,000,000**	22,000,000,000
Less debt issue costs	**194,594,396**	166,943,461
	₱33,305,405,604	₱21,833,056,539

The Group's loans payable are all unsecured. The credit facility is fully drawn as of September 30, 2016 and 2015.

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱572 million, ₱5 million and nil for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 26). Capitalized borrowing cost amounted to ₱823 million and ₱947 million for the years ended September 30, 2016 and 2015 (see Notes 9 and 11).

Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022

On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenant

The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019

On July 8, 2014, the Group borrowed ₱9,000 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

On October 17, 2016, the Group pre-terminated the outstanding balance of the loan (Note 36).

Debt Covenants

The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021

On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023
On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The ₱5,000 million loan was released on August 10, 2016 with interest rate at 3.8900% per annum and shall be payable quarterly, computed on the basis of a 360-day year and on the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025
On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenant
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019
On July 8, 2014, the Group borrowed ₱1,000 million under Term Loan Facility Agreements with BDO Leasing and Finance, Inc.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

On October 17, 2016, the Group pre-terminated the outstanding balance of the loan (Note 36).

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
2016	**₱–**	**₱–**	**₱10,000,000,000**	**₱–**	**₱23,500,000,000**	**₱33,500,000,000**
2015	₱–	₱–	₱–	₱10,000,000,000	₱12,000,000,000	₱22,000,000,000

17. Deposits and Other Noncurrent Liabilities

	2016	2015
Deposits from lessees - net of current portion (Notes 15, 31 and 32)	**₱2,195,680,739**	₱1,896,140,054
Accrued rent expense	**1,550,499,621**	1,445,148,519
Retention payable	**494,536,017**	604,177,174
Deposits from real estate buyers - net of current portion (Note 15)	**387,023,726**	483,893,906
Pension liabilities (Note 29)	**327,607,656**	252,763,973
Advances for marketing and promotional fund	**178,772,002**	182,483,120
Others	**276,139,122**	279,731,680
	₱5,410,258,883	₱5,144,338,426

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Retention payable represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current.

Others include payable to the noncontrolling interests of the Parent Company's subsidiaries.

18. Retained Earnings

The declarable dividend of Parent Company amounted to ₱21,527 million and ₱16,031 million as of September 30, 2016 and 2015, respectively.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱1,157 million and ₱977 million as of September 30, 2016 and 2015, respectively, are not available for dividend declaration by the Parent Company until received in the form of dividends.

Retained earnings are further restricted for payment of dividends to the extent of the cost of shares held in treasury.

Dividends declared
The BOD declared cash dividends in favor of all its stockholders as follows:

	2016	2015	2014
Date of declaration	**March 9, 2016**	April 29, 2015	May 12, 2014
Date of payment	**April 22, 2016**	June 9, 2015	June 25, 2014
Ex-dividend rate	**March 29, 2016**	May 14, 2015	May 29, 2014
Dividend per share	**₱0.36**	₱0.36	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046	₱1,473,779,046

Appropriation
On September 27, 2016, the BOD approved the reversal of the retained earnings it appropriated in 2015 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱16,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in FY 2017 to FY 2021.

On September 10, 2015, the BOD approved the reversal of the retained earnings it has appropriated in 2014 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱17,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2015. These projects and acquisitions are expected to be completed in various dates in FY 2016 to FY 2018.

On September 18, 2014, the BOD approved the reversal of the retained earnings it has appropriated in 2013 amounting to ₱11,200 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱17,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2014. These projects and acquisitions are expected to be completed in various dates in FY 2015 to FY 2017.

19. **Capital Stock and Other Equity Reserve**

The details of the number of common shares and the movements thereon follow:

	2016	2015	2014
Authorized - at ₱1 par value	**8,200,000,000**	8,200,000,000	8,200,000,000
Exclusive of 17,698,000 treasury shares:			
At beginning of the period	**4,093,830,685**	4,093,830,685	4,093,830,685
Additional subscription	**–**	–	–
Issued, fully paid and outstanding	**4,093,830,685**	4,093,830,685	4,093,830,685

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of September 30, 2016:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add (deduct):				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2014	4,111,528,685			1,118
Add (deduct) movement	–			(19)
October 1, 2015	4,111,528,685			1,099
Add (deduct) movement	–			(13)
September 30, 2016	4,111,528,685			1,086

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.
Note: Inclusive of 17,698,000 treasury shares

Treasury Shares
On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of September 30, 2016, the Parent Company has a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity. Following is a computation of the Group's debt-to-capital ratio as of September 30, 2016 and 2015.

	2016	2015
(a) Loans payable (Note 16)	**₱37,539,100,000**	₱25,048,897,460
(b) Capital	**₱61,342,712,563**	₱56,660,206,908
(c) Debt-to-capital ratio (a/b)	**0.61:1**	0.44:1

The Group's policy is to limit the debt-to-capital ratio at the 1.5:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

Other Equity Reserve
On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱87 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

20. **Related Party Transactions**

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities.

The amounts and balances arising from significant related party transactions are as follows:

	2016			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
Ultimate Parent Company				
a) Rental income/receivable	**₱30,612,449**	**₱180,655**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**(42,303,401)**	–	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
b) Advances from	**(24,972,174)**	**(103,633,960)**	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	**(₱430,161,909)**	**₱14,617,510**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**90,130,103**	**90,130,103**	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	**7,241,074**	**12,045**		
a) Rental income/receivable	**2,150,650,400**	**137,005,861**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**(4,916,656)**	**17,561,348**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**(1,449,431)**	**(27,272,293)**	Non-interest bearing; due and demandable	Unsecured
		₱128,601,269		

	2015			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	₱27,966,294	₱1,060,210	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	(4,210,071)	42,303,401	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
• Interest income	499,688	–		
b) Advances from	27,685,692	(128,606,134)	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	₱147,514,187	₱444,779,419	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment

(Forward)

	2015			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
• Short-term investments	₱6,921,403	₱6,921,403	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	10,175,922	60,573		
a) Rental income/receivable	1,848,936,633	101,858,191	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	815,502	22,478,004	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	(11,030,631)	(28,721,724)	Non-interest bearing; due and demandable	Unsecured
		₱702,133,343		

Outstanding balances consist of the following:

	2016	2015
Cash and cash equivalents (Note 7)	**₱104,747,613**	₱691,700,822
Rental receivables (Note 8)	**137,198,561**	102,978,974
Receivable from affiliated companies (Note 8)	**17,561,348**	22,478,004
Payable to affiliated companies (Note 15)	**(130,906,253)**	(115,024,457)
	₱128,601,269	₱702,133,343

Significant transactions with related parties are as follows:

a) *Rental income*
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) *Advances to (from) affiliated companies*
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement and financing for real estate development.

c) *Cash and cash equivalents*
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

Compensation of key management personnel by benefit type follows:

	2016	2015	2014
Short-term employee benefits	**₱893,618,174**	₱826,216,672	₱738,018,843
Post-employment benefits	**43,859,770**	39,944,452	34,833,887
	₱937,477,944	₱866,161,124	₱772,852,730

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

21. **Revenue**

	2016	2015	2014
Real Estate Operations			
Rental income (Notes 20 and 34)	**₱10,556,125,587**	₱9,287,978,214	₱7,956,129,097
Real estate sale	**7,193,970,995**	6,313,458,917	5,646,638,459
Amusement income	**1,694,021,661**	1,531,671,101	1,259,795,201
Others	**1,259,845,366**	835,331,229	651,412,090
	20,703,963,609	17,968,439,461	15,513,974,847
Hotel Operations			
Rooms	**1,155,513,678**	1,110,703,894	959,133,430
Food and beverage	**605,142,982**	590,482,756	536,740,915
Others	**46,941,932**	44,663,025	37,874,048
	1,807,598,592	1,745,849,675	1,533,748,393
	₱22,511,562,201	₱19,714,289,136	₱17,047,723,240

Real estate sales include interest income from installment contract receivable amounting to ₱308 million, ₱541 million and ₱499 million in 2016, 2015 and 2014, respectively (Note 26).

Other revenue under real estate operations are receipts of penalties from real estate buyers and tenants, forfeitures of payments from sales cancellations and reservations and receipts of association dues.

Other revenue under hotel operations includes transport, laundry, valet and other services.

22. **Costs**

	2016	2015	2014
Real Estate Operations			
Cost of Rental Services			
Depreciation and amortization (Note 24)	**₱3,401,913,954**	₱2,984,798,999	₱2,565,368,005
Property operations and maintenance costs (Note 11)	**504,336,451**	395,403,541	369,495,071
Accretion of security deposit (Notes 15 and 26)	**66,820,441**	63,905,363	78,279,804
	3,973,070,846	3,444,107,903	3,013,142,880
Cost of Real Estate Sales (Note 9)	**3,982,243,972**	3,207,254,788	3,071,340,402
Cost of Amusement Services			
Film rentals expense	**764,711,495**	694,919,851	575,239,755
Others			
Contracted services	**177,015,756**	131,564,699	129,066,976
Others	**442,935,438**	357,459,117	274,077,904
	619,951,194	489,023,816	403,144,880
	9,339,977,507	7,835,306,358	7,062,867,917
Hotel Operations			
Cost of room services			
Property operations and maintenance costs	**195,381,543**	206,005,707	195,399,258
Depreciation and amortization (Note 24)	**169,358,044**	165,638,261	166,604,688
	364,739,587	371,643,968	362,003,946

(Forward)

	2016	2015	2014
Cost of food and beverage	**₱348,427,973**	₱206,081,289	₱194,969,736
Others			
Salaries and wages (Note 25)	**186,966,096**	181,077,744	174,781,984
Contracted services	**141,404,383**	103,325,053	108,079,136
Management fee	**64,807,264**	125,473,656	94,822,595
Supplies	**53,473,803**	48,714,688	42,256,119
Commission	**37,475,779**	35,255,649	25,376,851
Others	**119,574,744**	221,000,644	171,803,936
	603,702,069	714,847,434	617,120,621
	1,316,869,629	1,292,572,691	1,174,094,303
	₱10,656,847,136	₱9,127,879,049	₱8,236,962,220

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

23. General and Administrative Expenses

	2016	2015	2014
Salaries and wages (Notes 20, 25 and 29)	**₱750,511,848**	₱685,083,380	₱598,070,746
Commission	**612,492,978**	654,758,492	454,056,685
Advertising and promotions	**657,442,372**	617,459,442	560,643,583
Taxes and licenses	**633,092,857**	468,386,432	427,647,099
Rent (Note 34)	**179,966,892**	198,934,210	152,181,973
Insurance	**129,602,624**	98,607,073	97,024,210
Supplies	**131,166,417**	89,821,085	73,944,512
Light, water and communication	**110,359,156**	87,155,959	90,166,983
Travel and transportation	**61,654,134**	42,825,040	47,989,393
Association dues	**68,893,800**	24,446,708	16,551,281
Entertainment, amusement and recreation	**14,173,544**	16,081,033	28,938,181
Donation	**–**	9,037,857	–
Others	**53,362,967**	57,582,025	25,260,083
	₱3,402,719,589	₱3,050,178,736	₱2,572,474,729

24. Depreciation and Amortization

	2016	2015	2014
Real estate (Notes 11, 12 and 22)	**₱3,401,913,954**	₱2,984,798,999	₱2,565,368,005
Hotel operations (Notes 11, 12 and 22)	**169,358,044**	165,638,261	166,604,688
	₱3,571,271,998	₱3,150,437,260	₱2,731,972,693

25. **Personnel Expenses**

Personnel expenses consist of (see Notes 22 and 23):

	2016	2015	2014
Salaries, wages and other staff costs	**₱849,535,817**	₱777,428,556	₱688,104,561
Pension expense (Note 29)	**43,859,770**	39,944,452	34,833,887
SSS contributions, PAG-IBIG contributions, premiums and others	**44,082,357**	48,788,116	49,914,282
	₱937,477,944	₱866,161,124	₱772,852,730

The above amounts are distributed as follows:

	2016	2015	2014
General and administrative (Note 23)	**₱750,511,848**	₱685,083,380	₱598,070,746
Hotel operations (Note 22)	**186,966,096**	181,077,744	174,781,984
	₱937,477,944	₱866,161,124	₱772,852,730

26. **Other Income (Losses)**

Interest income consists of

	2016	2015	2014
Interest income			
Bank deposits (Note 7)	**₱18,075,015**	₱38,847,341	₱13,942,294
Receivable from affiliated companies (Note 20)	**–**	499,688	692,337
	18,075,015	39,347,029	14,634,631
Interest income from installment contract receivable - recognized under real estate sales (Note 21)	**308,287,941**	541,408,593	499,324,875
	₱326,362,956	₱580,755,622	₱513,959,506

Interest expense consists of (see Notes 15 and 16):

	2016	2015	2014
Loans payable	**₱571,626,129**	₱5,288,926	₱–
Accretion on security deposits - recognized under cost of rental services (Notes 15 and 22)	**66,820,441**	63,905,363	78,279,804
	₱638,446,570	₱69,194,289	₱78,279,804

Capitalized borrowing costs in 2016 and 2015 are discussed in Notes 9 and 11.

In 2014, the Group recognized losses of ₱324 million due to property damages to its investment properties and property and equipment brought about by typhoons Yolanda and Glenda and the Galleria Mall fire loss. The Group recorded a gain for the same amount for the claims from insurance companies for such losses. The gains and losses were netted off for presentation purposes in the 2014 consolidated statement of comprehensive income.

In 2016, the Group recorded additional ₱209 million gain from insurance claims due to receipt of final insurance settlement for the typhoon Yolanda and other minor insurance claims.

27. Income Tax

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	2016	2015	2014
Current			
RCIT	**₱1,597,959,378**	₱1,518,040,447	₱998,494,220
Final tax	**2,132,358**	6,016,575	1,507,346
MCIT	**179,419**	240,500	207,883
	1,600,271,155	1,524,297,522	1,000,209,449
Deferred	**433,375,874**	363,216,967	521,263,644
	₱2,033,647,029	₱1,887,514,489	₱1,521,473,093

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2016	2015	2014
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.01)**	(0.03)	(0.01)
Tax exempt real estate sales	**(0.13)**	(0.85)	(1.07)
Income subjected to BOI, PEZA and lower tax	**(5.02)**	(4.24)	(4.59)
Effective income tax rate	**24.84%**	24.88%	24.33%

Deferred taxes as of September 30, 2016 and 2015 relate to the tax effects of the following:

	2016	2015
Deferred tax assets:		
Accrued rent expense	**₱478,167,744**	₱454,745,268
Accrued interest expense	**197,553,203**	177,772,488
Accrued retirement payable	**98,282,297**	68,166,670
Allowance for impairment loss	**14,302,980**	13,812,665
MCIT	**2,168,956**	1,111,424
	790,475,180	715,608,515
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,676,953,415)**	(1,419,649,598)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,389,360,756)**	(1,244,499,193)
Accrued rent income	**(267,780,830)**	(187,282,004)
Unamortized debt issuance cost	**(61,143,910)**	(52,848,629)
Prepaid rent (Note 13)	**(147,569,124)**	(147,569,124)
	(3,542,808,035)	(3,051,848,548)
Net deferred tax liabilities	**(₱2,752,332,855)**	(₱2,336,240,033)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to ₱17 million, ₱1 million and ₱2 million, in 2016, 2015 and 2014 respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱4 million and ₱3 million in 2016 and 2015, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million as of September 30, 2016 and 2015.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
September 30, 2016	₱1,796,845	September 30, 2019
September 30, 2015	899,847	September 30, 2018
September 30, 2014	1,012,159	September 30, 2017
	₱3,708,851	

Period of recognition	Amount	Period of expiration
MCIT		
September 30, 2016	₱–	September 30, 2019
September 30, 2015	797,791	September 30, 2018
September 30, 2014	207,883	September 30, 2017
	₱1,005,674	

28. Basic/Diluted Earnings Per Share

Earnings per share amounts were computed as follows:

	2016	2015	2014
a. Net income attributable to equity holders of Parent Company	**₱6,154,532,055**	₱5,699,709,532	₱4,737,013,328
b. Weighted average number of common shares outstanding adjusted	**4,093,830,685**	4,093,830,685	4,093,830,685
c. Earnings per share (a/b)	**₱1.50**	₱1.39	₱1.16

There were no potential dilutive shares in 2016, 2015 and 2014.

29. Employee Benefits

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions. The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	2016	2015	2014
Service cost	**₱32,296,274**	₱29,575,052	₱28,555,085
Net interest cost	**11,563,496**	10,369,400	6,278,802
Pension expense	**₱43,859,770**	₱39,944,452	₱34,833,887

There are no plan amendments, curtailments or settlements for the period ended September 30, 2016 and 2015.

The amounts recognized as pension liabilities included under 'Deposit and other noncurrent liabilities' in the consolidated statements of financial position follow:

	2016	2015
Present value of defined benefit obligation	**₱479,132,556**	₱381,649,653
Fair value of plan assets	**(151,524,900)**	(128,885,680)
Pension liabilities	**₱327,607,656**	₱252,763,973

Changes in net defined benefit liability of funded funds in 2016 and 2015 follow:

		2016	
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at beginning of year	**₱381,649,653**	**₱128,885,680**	**₱252,763,973**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**32,296,274**	**–**	**32,296,274**
Net interest cost	**16,143,767**	**4,580,271**	**11,563,496**
Subtotal	**48,440,041**	**4,580,271**	**43,859,770**
Benefits paid	**(2,780,549)**	**(2,780,549)**	**–**
Remeasurements in other comprehensive income:			
Return on plan assets	**–**	**(5,786,763)**	**5,786,763**
Actuarial changes arising from experience adjustments	**39,581,241**	**–**	**39,581,241**
Actuarial changes arising from changes in financial/demographic assumptions	**12,242,170**	**–**	**12,242,170**
Subtotal	**51,823,411**	**(5,786,763)**	**57,610,174**
Contributions paid	**–**	**26,626,261**	**(26,626,261)**
Balance at end of year	**₱479,132,556**	**₱151,524,900**	**₱327,607,656**

	2015		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at beginning of year	₱347,007,878	₱133,688,461	₱213,319,417
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	29,575,052	–	29,575,052
Net interest cost	16,920,653	6,551,253	10,369,400
Subtotal	46,495,705	6,551,253	39,944,452
Benefits paid	(5,466,485)	(5,466,485)	–
Remeasurements in other comprehensive income:			
Return on plan assets	–	(10,351,295)	10,351,295
Actuarial changes arising from experience adjustments	2,295,791	–	2,295,791
Actuarial changes arising from changes in financial/demographic assumptions	(8,683,236)	–	(8,683,236)
Subtotal	(6,387,445)	(10,351,295)	3,963,850
Contributions paid	–	4,463,746	(4,463,746)
Balance at end of year	₱381,649,653	₱128,885,680	₱252,763,973

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2016	2015
Cash and cash equivalents		
Special deposit account	**₱82,798,266**	₱40,217,000
Savings deposit account	**26,628,261**	1,431
Other securities	**1,669,001**	–
	111,095,528	40,218,431
Investment in debt instruments		
Fixed rate bonds	**20,670,200**	20,670,165
Other debt instruments	**8,062,357**	9,307,876
	28,732,557	29,978,041
Accrued interest receivable	**274,773**	276,522
Other assets	**11,431,497**	58,418,584
Accrued trust and management fee payable	**(9,456)**	(5,899)
	₱151,524,899	₱128,885,679

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.

- *Investment in debt instruments* - include investment in long-term debt notes and retail bonds issued by locally listed entities.

- *Accrued interest receivable and other receivable* - include interest earned from investments and receivable from affiliated companies.

- *Accrued trust and management fee payable* - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of September 30, 2016, 2015 and 2014.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.
The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.
The Group expects to contribute ₱42 million to the defined benefit pension plans in 2016.

The average duration of the defined benefit obligation of the Group as of September 30, 2016 and 2015 is 15 years.

The principal assumptions used to determine the pension benefits of the Group follow:

	2016	2015	2014
Discount rate	**3.93% to 4.85%**	4.65%	4.52% to 5.02%
Rate of salary increase	**5.00%**	5.00%	5.50%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of September 30, 2015, assuming if all other assumptions were held constant. The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		2016	2015
Discount rates	+1.00%	**(₱41,523,152)**	(₱29,238,214)
	-1.00%	**48,094,773**	33,636,983
Salary increase rates	+1.00%	**₱44,969,563**	₱32,053,384
	-1.00%	**(39,848,946)**	(28,504,312)

Shown below is the maturity analysis of the undiscounted benefit payments of the Group:

	2016	2015
Less than 1 year	**₱19,106,049**	₱65,053,009
More than 1 years to 5 years	**105,208,719**	102,498,063
More than 5 years to 10 years	**276,911,978**	233,462,634
More than 10 years to 15 years	**409,155,857**	341,431,675
More than 15 years to 20 years	**308,379,053**	264,126,374
More than 20 years	**379,998,070**	281,247,087

30. **Interest in Joint Operations**

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of sharing in the proceeds of sale of developed units.

The Group's joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner. The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Harbour Land Realty and Development Corp (HLRD) and Federal Land, Inc. (FLI) to develop a project called Axis Residences located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:

a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLRD, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%.

31. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments, comprise of loans payable, receivables from affiliated companies, payables to affiliated companies, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

Risk Management Structure

The Group's risk management structure is closely aligned with that of the Parent Company. The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee

The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:

a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)

To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies
The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk, credit risk and equity price risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk
Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	September 30			
	2016		2015	
Assets				
Cash and cash equivalents	**$8,749,344**	**₱422,243,318**	$452,009	₱21,212,782
Liabilities				
Accounts payable and accrued expenses	**482,830**	**23,301,362**	100,410	4,712,251
Net foreign currency-denominated assets	**$8,266,514**	**₱398,941,956**	$351,599	₱16,500,531

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of September 30, 2016 and 2015 follow:

	2016	2015
US Dollar - Philippine Peso exchange rate	**₱48.26 to US$1.00**	₱46.93 to US$1.00

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended September 30, 2016 and 2015.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
2016	
2.0% PHP appreciation	**(₱7,978,839)**
2.0% PHP depreciation	**7,978,839**
2015	
2.0% PHP appreciation	(₱330,011)
2.0% PHP depreciation	330,011

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk
Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of September 30, 2016 and 2015, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	2016					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Loans and receivables						
Cash and cash equivalents	**₱771,028,252**	**₱378,136,696**	**₱–**	**₱–**	**₱–**	**₱1,149,164,948**
Receivables						
Trade	**1,368,466,546**	**3,866,948,613**	**1,544,880,136**	**2,621,306,870**	**346,766,666**	**9,748,368,831**
Affiliated companies	**17,561,348**	–	–	–	–	**17,561,348**
Others	**111,421,396**	**92,632,199**	**52,093,420**	–	–	**256,147,015**
Other assets						
Utility deposits	**7,110,072**	–	**21,511**	**228,725,915**	**377,180,434**	**613,037,932**
Total financial assets	**₱2,275,587,614**	**₱4,337,717,508**	**₱1,596,995,067**	**₱2,850,032,785**	**₱723,947,100**	**₱11,784,280,074**
Accounts payable and accrued expenses	**₱3,071,131,460**	**₱1,636,068,790**	**₱1,907,389,745**	**₱513,744,721**	**₱1,858,898,573**	**₱8,987,233,289**
Payables to affiliated companies and others (included under Deposits and other liabilities account in the consolidated statement of financial position)	**303,757,960**	–	–	–	–	**303,757,960**
Deposits from lessees	**538,962,786**	**248,933,765**	**930,754,984**	**1,479,631,683**	**716,049,056**	**3,914,332,274**
Loans payable and future interest payment	–	**947,362,060**	**3,964,256,805**	**30,926,208,834**	**17,566,362,434**	**53,404,190,133**
Other financial liabilities	**₱3,913,852,206**	**₱2,832,364,615**	**₱6,802,401,534**	**₱32,919,585,238**	**₱20,141,310,063**	**₱66,609,513,656**

	2015					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱597,003,967	₱595,950,051	₱–	₱–	₱–	₱1,192,954,018
Receivables						
Trade	1,941,764,066	1,165,344,666	1,499,486,794	2,505,606,809	203,327,950	7,315,530,285
Affiliated companies	22,478,004	–	–	–	–	22,478,004
Others	108,848,656	75,382,619	207,662,006	–	–	391,893,281
Other assets						
Utility deposits	5,106,072	280,000	–	223,668,117	279,044,334	508,098,523
Total financial assets	₱2,675,200,765	₱1,836,957,336	₱1,707,148,800	₱2,729,274,926	₱482,372,284	₱9,430,954,111
Accounts payable and accrued expenses	₱2,259,011,204	₱968,893,098	₱1,400,158,283	₱1,196,166,177	₱1,105,923,489	₱6,930,152,251
Payables to affiliated companies and others (included under Deposits and other liabilities account in the consolidated statement of financial position)	300,434,457	–	–	–	–	300,434,457
Deposits from lessees	931,792,342	250,042,502	492,227,838	1,251,180,756	644,959,298	3,570,202,736
Loans payable and future interest payment	–	504,117,126	2,648,998,736	19,852,867,092	13,002,463,300	36,008,446,254
Other financial liabilities	₱3,491,238,003	₱1,723,052,726	₱4,541,384,857	₱22,300,214,025	₱14,753,346,087	₱46,809,235,698

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed

sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it's advantageous to the Group. As of September 30, 2016 and 2015, 100% of the Group's loans payable are at a fixed rate of interest.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of September 30, 2016 and 2015.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of September 30, 2015, and 2014 without considering the effects of collaterals and other credit risk mitigation techniques:

	2016	2015
Cash and cash equivalents (net of cash on hand)	**₱1,120,767,257**	₱1,167,730,897
Receivables - net		
Trade receivables		
Installment contract receivable	**8,198,622,057**	6,197,079,304
Accrued rent receivable	**721,628,537**	518,174,550
Rental receivables	**651,916,299**	406,863,718
Hotel operations	**176,201,938**	193,412,713
Affiliated companies	**17,561,348**	22,478,004
Other receivables	**256,147,015**	391,893,281
Other assets		
Utility deposits	**613,037,932**	508,098,523
	₱11,755,882,383	₱9,405,730,990

The credit risk on installment contracts receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.
Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of September 30, 2016, and 2015, gross of allowance for credit and impairment losses:

	2016				
	Neither Past Due Nor Impaired			**Past Due or**	
	High Grade	**Standard Grade**	**Substandard Grade**	**Individually Impaired**	**Total**
Loans and receivables					
Cash and cash equivalents	**₱1,120,767,257**	**₱–**	**₱–**	**₱–**	**₱1,120,767,257**
Receivables:					
Trade receivables					
Installment contract receivables	**7,220,420,961**	**–**	**–**	**997,201,096**	**8,217,622,057**
Accrued rent receivables	**721,628,537**	**–**	**–**	**–**	**721,628,537**
Rental receivables	**70,465,687**	**–**	**–**	**595,355,639**	**665,821,326**
Hotel operations	**42,376,585**	**–**	**–**	**148,596,927**	**190,973,512**
Affiliated companies	**17,561,348**	**–**	**–**	**–**	**17,561,348**
Other receivables	**256,147,015**	**–**	**–**	**–**	**256,147,015**
Other assets					
Utility deposits	**613,037,932**	**–**	**–**	**–**	**613,037,932**
	₱10,062,405,322	**₱–**	**₱–**	**₱1,741,153,662**	**₱11,803,558,984**

	2015				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	₱1,167,730,897	₱–	₱–	₱–	₱1,167,730,897
Receivables:					
Trade receivables					
Installment contract receivables	4,680,803,571	–	–	1,535,275,733	6,216,079,304
Accrued rent receivables	518,174,550	–	–	–	518,174,550
Rental receivables	134,295,019	–	–	286,473,726	420,768,745
Hotel operations	88,939,099	–	–	117,610,804	206,549,903
Affiliated companies	22,478,004	–	–	–	22,478,004
Other receivables	391,893,281	–	–	–	391,893,281
Other assets					
Utility deposits	508,098,523	–	–	–	508,098,523
	₱7,512,412,944	₱–	₱–	₱1,939,360,263	₱9,451,773,207

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

d. Impairment assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors, either singly or in tandem with other factors, constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the Group in assessing and measuring impairment include: (1) specific/individual assessment and (2) collective assessment.

Under specific/individual assessment, the Group assesses each individually significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Group when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent evidence or not yet objective of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

32. **Financial Instruments**

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	2016		2015	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable	**₱8,198,622,057**	**₱7,865,123,351**	₱6,197,079,304	₱5,929,676,551
Deposits from lessees	**3,914,332,274**	**3,626,438,968**	3,570,202,736	3,321,479,742
Loans payable	**37,344,505,604**	**53,404,190,133**	24,881,953,999	36,008,446,254

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 2.3% to 5.8% in 2016 and 1.7% to 5.6% in 2015.

Fair Value Hierarchy
The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of installment contracts receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

33. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

Two Gateway Place
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred sixty four (264) units, under Certificate of Registration No. 2008-202 dated August 7, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from December 2009 up to November 2013.

Holiday Inn Galleria Manila
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Modernization of Tourism-Related Facility (Hotel - Holiday Inn Galleria Manila)" on a Non-Pioneer status at a capacity of two hundred eighty-five (285) rooms, under Certificate of Registration No. 2011-097 dated May 25, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from May 2011 to May 2014.

Summit Circle - Fuente Osmeña Circle
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Modernization of Tourism-Related Facility (Hotel - Summit Circle Hotel)" on a Non-Pioneer status at a capacity of two hundred ten (210) rooms, under Certificate of Registration No. 2011-021 dated January 24, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from June 2011 to May 2014.

The Wellington Courtyard Phase 2
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of ninety two (92) units, under Certificate of Registration No. 2011-090 dated May 20, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from May 2011 to May 2014.

Go Hotel, Robinsons Cybergate Plaza
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Robinsons Cybergate Plaza)" on a Non-Pioneer status at a capacity of two hundred twenty three (223) rooms, under Certificate of Registration No. 2010-002 dated January 6, 2010. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2010 to June 2014.

Escalades South Metro Phase I
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of five hundred twenty eight (528) units, under Certificate of Registration No. 2011-169 dated August 1, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 2012 to October 2015.

Go Hotel, Dumaguete
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Dumaguete)" on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Bacolod
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Bacolod)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

Go Hotel, Palawan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Palawan)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)" on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its

registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2012 to April 2016.

Go Hotel, Iloilo
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)" on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2014 to December 2017.

Go Hotel, Butuan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)" on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

Azalea Place, Gorordo Avenue,Cebu City
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to June 2016.

The Pearl Place - Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

Escalades East Tower
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 6, 2014 to November 5, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

Go Hotels Davao, Inc.
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)" on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

Robinsons Cyberpark
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa
The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction
The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

34. **Commitments and Contingencies**

Operating Lease Commitments - Group as Lessee
The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. Total rent expense amounted to ₱180 million, ₱199 million and ₱152 million in 2016, 2015 and 2014, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases as of September 30, 2016 are as follows:

	2016	2015	2014
Within one (1) year	**₱85,742,828**	₱75,875,322	₱60,225,464
After one (1) year but not more than five (5) years	**404,875,129**	382,304,085	274,917,570
After more than five (5) years	**6,389,039,513**	6,472,894,986	5,492,119,217
	₱6,879,657,470	₱6,931,074,393	₱5,827,262,251

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between one (1) and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱10,556 million, ₱9,288 million and ₱7,956 million in 2016, 2015 and 2014, respectively. Total percentage rent recognized as income for 2016, 2015 and 2014 amounted to ₱2,786 million, ₱2,502 million and ₱2,167 million, respectively.

Future minimum rentals receivable under noncancellable operating leases as of September 30, 2015 follows:

	2016	2015	2014
Within one (1) year	**₱4,909,033,101**	₱5,308,666,374	₱4,252,470,638
After one (1) year but not more than five (5) years	**8,407,304,291**	10,472,321,498	5,915,813,342
After more than five (5) years	**941,463,464**	1,024,342,237	437,292,732
	₱14,257,800,856	₱16,805,330,109	₱10,605,576,712

Finance Lease Commitments - Group as Lessor
In 2015, the Group has significantly entered into residential property leases on its residential condominium unit's portfolio. These leases have lease period of five (5) to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of September 30 follow:

	2016	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱1,666,378,049**	**₱1,633,532,609**
After one (1) year but not more than five (5) years	**753,609,549**	**683,817,209**
After more than five (5) years	**8,495,591**	**7,107,586**
Total minimum lease payments	**₱2,428,483,189**	**₱2,324,457,404**

	2015	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱115,488,617	₱112,620,511
After one (1) year but not more than five (5) years	350,912,310	325,025,776
After more than five (5) years	379,131,036	311,618,076
Total minimum lease payments	845,531,963	749,264,363
Less finance charges	96,267,600	–
Present value of minimum lease payments	₱749,264,363	₱749,264,363

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱16,891 million and ₱8,214 million as of September 30, 2016 and 2015, respectively. Moreover, the Group has contractual obligations amounting to ₱1,189 million and ₱1,292 million as of September 30, 2016 and 2015, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments, in general, will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

35. Note on Consolidated Statement of Cash Flows

Noncash investing activity pertains to transfers from investment properties to property and equipment and subdivision land, condominium and residential units for sale amounting to ₱64 million, ₱474 million, and ₱1,887 million in 2016, 2015, and 2014, respectively. Also, land amounting to ₱1,760 million in 2014 were transferred from investment properties to subdivision land, condominium and residential units for sale for the Group's residential projects.

36. Subsequent Events

On October 17, 2016, the Group pre-terminated the outstanding balance of the loan amounting to ₱10 billion (see Note 16). Pursuant to the Term Loan Facility Agreement between the Parent Company, BDO Unibank Inc. and BDO Leasing and Finance, Inc. dated July 8, 2014, the Parent Company, subject to the penalty of one percent (1%), may prepay the loan in part or full together with accrued interest thereof to prepayment date. The Parent Company paid a prepayment charge amounting to ₱100 million.

SGV
Building a better
working world

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BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at September 30, 2016 and 2015 and for each of the three years in the period ended September 30, 2016 included in this Form 17-A and have issued our report thereon dated January 6, 2017. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, as Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
SEC Accreditation No. 1229-AR-1 (Group A),
May 12, 2015, valid until May 11, 2018
Tax Identification No. 162-410-623
BIR Accreditation No. 08-001998-74-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5908770, January 3, 2017, Makati City

January 6, 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

SEPTEMBER 30, 2016

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of September 30, 2016.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱100,000 as of September 30, 2016.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of September 30, 2016:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	₱49,206,578	₱90,624,458	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(30,692,073)	55,586,373	Non-interest bearing and to be settled within one year
Altus San Nicolas Corp (ASNC)	Share in expenses	1,212,520	2,796	Non-interest bearing and to be settled within one year
	Purchase of investment property	855,097,668	342,988,264	Non-interest bearing and to be settled within one year
Lingkod Pinoy Bus Liner, Inc. (LPBL)	Share in expenses	10,160,000	10,160,000	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	25,867,187	141,066,002	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	17,098	589,093	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	(1,440,708,326)	808,863	Non-interest bearing and to be settled within one year
		(₱529,839,348)	₱641,825,849	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱41,417,880	₱49,206,578	₱–	₱90,624,458
AAI	86,278,446	–	(30,692,073)	55,586,373
ASNC	(1,209,724)	344,200,784	–	342,991,060
LPBL	–	10,160,000	–	10,160,000
GHDI	115,198,815	25,867,187	–	141,066,002
RRMC	571,995	17,098	–	589,093
RLCRL	1,441,517,189	–	(1,440,708,326)	808,863
	₱1,683,774,601	₱429,451,647	(₱1,471,400,399)	₱641,825,849

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of September 30, 2016:

	Relationship	Nature	Balance at end of period
Robinsons Recreation Corporation	Under common control	B	₱11,334,271
Universal Robina Corporation	Under common control	A	597,502
JG Summit Capital Markets Corporation	Under common control	A	1,520,227
Robinsons Savings Bank	Under common control	A	601,039
Express Holdings, Inc.	Under common control	A	973,513
Oriental Petroleum & Mining Corp.	Under common control	A	754,095
Robinsons Pharmacies, Inc.	Under common control	A	586,618
Others	Under common control	A, B	1,194,083
			₱17,561,348

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.

The outstanding balances of intercompany transactions are due and demandable as of September 30, 2016.

Schedule D. Intangible Assets

The Group does not have intangible assets as of September 30, 2016.

Schedule E. Long-term debt
Below is the schedule of long-term debt of the Group as of September 30, 2016:

	Amount	Current	Noncurrent
Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	1,364,500,000	–	1,364,500,000
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly.	9,000,000,000	–	9,000,000,000
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly	1,000,000,000	–	1,000,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in full upon maturity, with interest fixed rate at 3.8900%, payable quarterly	5,000,000,000	–	5,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable in full upon maturity, with interest fixed rate at 3.8327%, payable quarterly	6,500,000,000	–	6,500,000,000
	₱33,500,000,000	₱–	₱33,500,000,000

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)
Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of September 30, 2016:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control	A	₱22,819,452	₱22,753,985
JG Summit Holdings, Inc.	Parent	A, C	86,302,733	103,633,960
Others	Under common control	A, B	5,902,272	4,518,308
			₱115,024,457	₱130,906,253

Others consist primarily of payables to Robinsons, Inc. and Robinsons Appliances.

Due to JG Summit Holdings, Inc. and other affiliates increased due to the advances made during the period for working capital requirements.

Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements
(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of September 30, 2016.

Schedule G. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of September 30, 2016.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption*	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	4,093,830,685	–	2,496,114,787	17,709,982	1,580,005,916

**Note: Exclusive of 17,698,000 treasury shares*

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION SEPTEMBER 30, 2016

Unappropriated Retained Earnings, beginning	**₱14,956,162,852**
Adjustments:	
Other unrealized expense as a result of transactions accounted for under PFRS:	
Straight line adjustment for rental expense (PAS 17)	1,445,148,519
Discounting effect on installment contract receivable (PAS 39)	147,473,831
Straight line adjustment rental income (PAS 17)	(515,128,131)
Discounting effect on security deposits (PAS 39)	(2,423,074)
Unappropriated Retained Earnings as adjusted, beginning	16,031,233,997
Net income actually earned/realized during the year	
Net income during the year closed to Retained Earnings	5,850,985,318
Less: Non-actual/unrealized income, net of tax	
Equity in net income of associate/joint venture	
Unrealized foreign exchange gain - net	
Unrealized actuarial gain	
Fair value adjustment (M2M gains)	
Fair value adjustment of Investment Property resulting to gain	
Adjustment due to deviation from PFRS/GAAP - gain	
Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
Straight line adjustment for rental expense (PAS 17)	105,351,102
Discounting effect on installment contract receivable (PAS 39)	217,306,222
Straight line adjustment rental income (PAS 17)	(203,617,994)
Discounting effect on security deposits (PAS 39)	(18,657)
Add: Non-actual losses	
Movements in deferred tax assets	
Depreciation on revaluation increment (after tax)	
Adjustment due to deviation from PFRS/GAAP - loss	
Loss on fair value adjustment of investment property (after tax)	
	5,970,005,991
Less: Cash dividend declaration during the year	(1,473,779,046)
Reversal of appropriation	17,000,000,000
Additional appropriation during the year	(16,000,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, September 30, 2016	**₱21,527,460,942**

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS SEPTEMBER 30, 2016

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional schedule requirements for large entities showing a list of all effective standards and interpretations under Philippine Financial Reporting Standards (PFRS).

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of September 30, 2016:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of September 30, 2016**		**Adopted**	**Not Adopted**	**Not Applicable**
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendments to PFRS 1:Borrowing Cost			✓
	Amendments to PFRS 1:Meaning of "Effective PFRS"			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Definition of Vesting Condition			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of September 30, 2016**		**Adopted**	**Not Adopted**	**Not Applicable**
PFRS 3	Business Combinations			✓
	Accounting for Contingent Consideration in a Business Combination			✓
	Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Servicing Contracts			✓
	Amendments to PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements		✓	
	Amendments to PFRS 7: Hedge Accounting (2013 version)		✓	
PFRS 8	Operating Segments	✓		
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Financial Instruments: Classification and Measurement (2010 version)		✓	
	Amendments to PFRS 9: Hedge Accounting (2013 version)		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of September 30, 2016**		**Adopted**	**Not Adopted**	**Not Applicable**
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities		✓	
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations		✓	
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
	Amendments to PFRS 13:Short Term Receivable and Payable	✓		
	Portfolio Exception		✓	
PFRS 14	Regulatory Deferral Accounts		✓	
PFRS 16	Leases		✓	
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1:Clarification of the Requirements for Comparative Information	✓		
	Amendments to PAS 1: Presentation of financial statements - disclosure initiative		✓	
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative		✓	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Date	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendment to PAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 16	Property, Plant and Equipment	✓		
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization		✓	
	Amendments to PAS 16: Bearer Plants		✓	
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
	Regional Market Issue Regarding Discount Rate		✓	
	Amendments to PAS 19:Defined Benefit Plan: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24	Related Party Disclosures - Key Management Personnel	✓		
	Related Party Disclosures - Key Management Personnel (Amended)		✓	
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
PAS 28	Investments in Associates and Joint Ventures	✓		
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PAS 28: Investment Entities		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendment to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✓		
	Disclosure of Information ‘Elsewhere in the Interim Financial Report’		✓	
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarification on Ancillary Services	✓		
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants		✓	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			✓
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓
IFRIC 8	*Scope of PFRS 2*			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			✓
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate		✓	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018)

Standards tagged as “Not Applicable” have been adopted by the Group but have no significant covered transactions for the year ended September 30, 2016.

Standards tagged as “Not adopted” are standards issued but not yet effective as of September 30, 2016. The Group will adopt the Standards and Interpretations when these become effective.

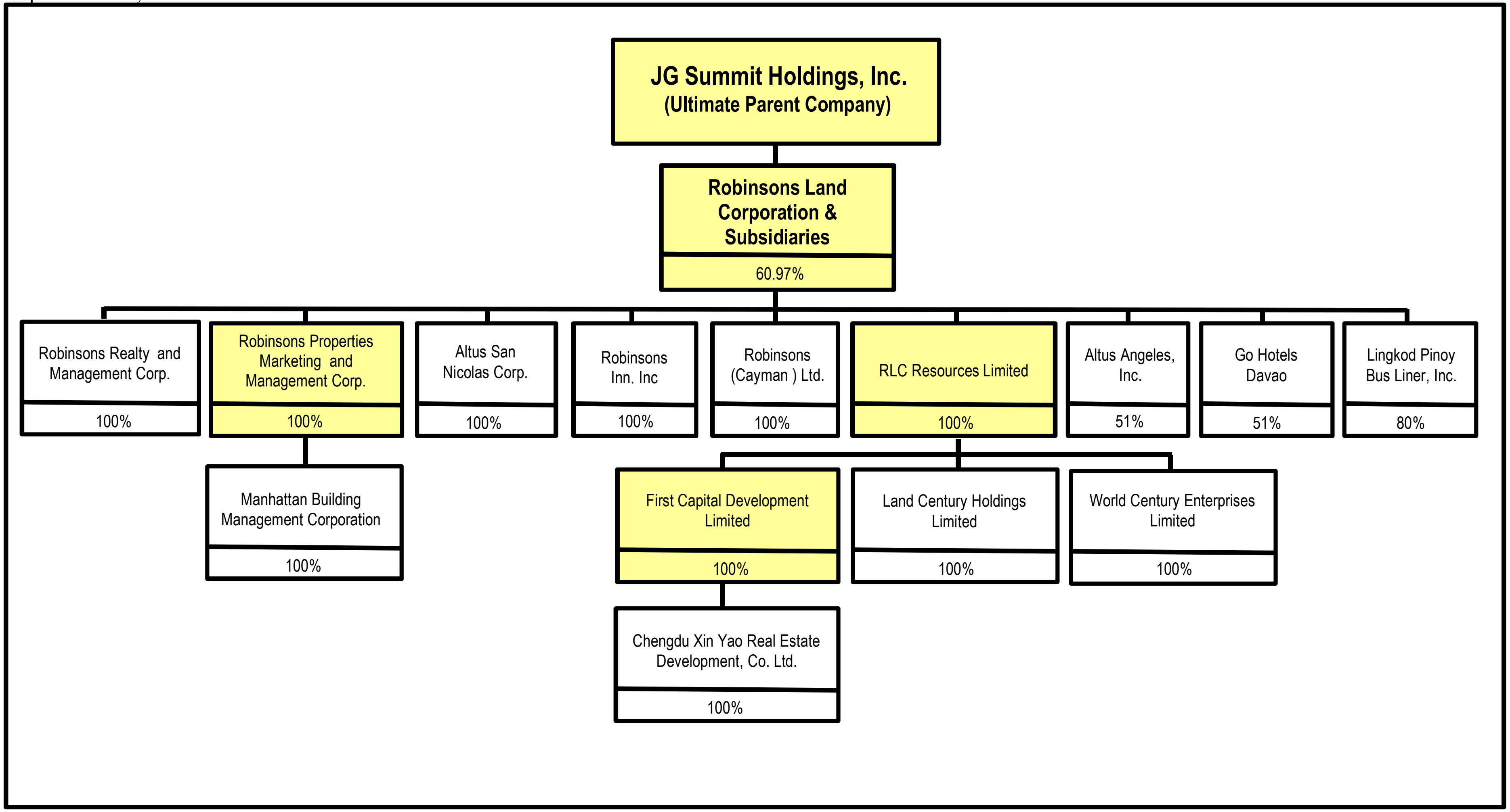
Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the year ended September 30, 2016 and 2015:

Financial ratios		2016	2015
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.50	1.39
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	14.98	13.84
Current ratio	Total Current Assets / Total Current Liabilities	2.25	1.98
Debt to equity ratio	Total Loans Payable / Total Equity	0.61	0.44
Interest coverage ratio	EBIT / Interest expense	6.06	7.91
Asset to equity ratio	Total Assets / Total Equity	1.95	1.74
Operating margin ratio	Operating income (EBIT) / Revenue	0.38	0.38

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of September 30, 2016:



INDEX TO EXHIBITS
Form 17-A

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* These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has nine subsidiaries as of September 30, 2016:

SUBSIDIARY	BUSINESS	% OWNERSHIP DIRECT	% OWNERSHIP EFFECTIVE	COUNTRY OF INC. OR RESIDENCE
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited .	Property development	100	-	Cayman Islands
Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus San Nicolas Corp.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Lingkod Pinoy Bus Liner, Inc.	Land Transportation	80	-	Philippines

[1] *Closed operations effective August 31, 2007*